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Japan

Deputy Foreign Minister To Go to CSCE Summit

OW1906012892 Tokyo KYODO in English 0105 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Japan has accepted host country Finland's invitation to participate in the July 9-10 summit of the Conference on Security and Cooperation in Europe (CSCE) in Helsinki, a high-ranking Foreign Ministry source said Friday.

The source said Japan will send Deputy Foreign Minister Kunihiko Saito to the summit in Helsinki. Japan will be the first nonmember of the 52-nation CSCE to participate in its summit meeting.

The European Community has proposed inviting Japan to take part in the CSCE process as a special guest, and the status of Japan within the conference is under study, the source said.

Bush-Yeltsin Islands Dispute Discussion Noted

OW1906032392 Tokyo KYODO in English 0310 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—U.S. President George Bush discussed Japan's claim to four Russian-held islands off Hokkaido earlier this week in a summit meeting with Russian President Boris Yeltsin, Chief Cabinet Secretary Koichi Kato said Friday.

Top government spokesman Kato said White House sources reported that the territorial dispute was also raised in talks between Vice President Dan Quayle and Yeltsin.

Kato said he was withholding the contents of the talks at the request of the United States. The spokesman also declined to comment on whether Japan was satisfied with the discussion. Prior to the visit, Kato said Japan would take "special note" of how the talks developed.

Prime Minister Kiichi Miyazawa telephoned Bush in advance of Yeltsin's visit to Washington and asked him to bear in mind Japan's territorial claim. Tokyo has said it cannot provide substantial economic support to Russia unless a solution is found to the dispute, which has impeded relations since the end of World War II. The island issue is expected to be the focal point when Yeltsin pays his first official visit to Japan as president in mid-September.

Firm To Market Midsize Trucks in United States

OW1906051292 Tokyo KYODO in English 0329 GMT 19 Jun 92

[Text] New York, June 18 KYODO—Toyota Motor Corp. plans to introduce a midsize truck on the U.S. market this fall, industry sources reported Thursday.

They said the new model, to be marketed around November, will be a 3000 cc [cubic centimeter] pickup truck with loading space larger than similar vehicles.

The company is considering both exporting and local production of the new truck, they said.

Demand for trucks has begun to pick up in the United States this year despite the slow pace of economic recovery, becoming the main source of revenue for the "big three" U.S. automakers.

Most trucks sold in the United States are larger than Toyota's new model, the sources said.

Japanese-made trucks account for about 37 percent of the U.S. market.

Miyazawa Views 'Sound' Relations With PRC

OW1906060092 Tokyo KYODO in English 0542 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Prime Minister Kiichi Miyazawa told a visiting Sino-Japanese friendship delegation Friday that bilateral relations are on a sound footing, a Foreign Ministry official said.

Miyazawa also praised Chinese patriarch Deng Xiaoping's reform policies and urged further economic liberalization, the official said.

Japan and China need to think about ways to cooperate that will benefit Asia and the rest of the world, Miyazawa was quoted as telling the group led by China-Japan Friendship Association President Sun Pinghua.

The delegation is visiting Tokyo as part of celebrations marking the 20th anniversary of bilateral diplomatic relations.

Miyazawa praised the results of earlier commemorative visits by Chinese Communist Party head Jiang Zemin and parliamentary leader Wan Li, the official said.

There was no mention of China's invitation to Emperor Akihito to visit this fall, the official said.

Earlier this week Miyazawa said the two countries have entered a cooling-off period regarding the proposed visit but said he hoped it would take place.

Some conservative Liberal Democratic Party lawmakers oppose a visit by the emperor, fearing Beijing could use it for political advantage over Japan on such sensitive bilateral issues as Japan's World War II responsibility.

A decision is expected after House of Councillors elections slated for late July.

SDP Declines Meeting With Cambodian Premier

OW1906115192 Tokyo KYODO in English 1140 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Makoto Tanabe, the leader of Japan's largest opposition party, has declined a meeting with Phnom Penh Government Prime Minister Hun Sen, who arrives in Tokyo on Sunday to attend an international conference on aid for war-torn Cambodia, party sources said Friday.

The Social Democratic Party [SDP] strongly opposed the passage earlier this week of a bill on Japanese participation in United Nations peacekeeping activities, which allows Japanese troops to be sent to Cambodia and other trouble spots.

Hun Sen, who has repeatedly called for the dispatch of Japanese Self-Defense Forces troops to Cambodia, will meet leaders of two other opposition parties, Komeito and the Democratic Socialist Party [DSP], on Sunday.

Komeito and the DSP joined the governing Liberal Democratic Party in passing the peackeeping bill through the Diet.

Officials of the SDP International Bureau said Tanabe is unable to meet Hun Sen because of his tight schedule, noting that Tanabe is currently not in Tokyo and is in his constituency of Maebashi, north of Tokyo.

When he visited Japan last March, Hun Sen, leader of one of the four Cambodian factions, expressed support for the idea of sending Japanese troops to the U.N. Transitional Authority in Cambodia.

A total of 139 SDP members in the House of Representatives have tendered letters of resignation to speaker Yoshio Sakurauchi demanding a dissolution of the lower chamber so voters can express their will on the U.N. peacekeeping cooperation legislation.

Cambodian Refugees, Environment Top Fund List

OW1906133192 Tokyo KYODO in English 1218 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—The Ministry of Posts and Telecommunications decided Friday to devote 25 percent of interest from special voluntary deposits to Cambodian refugee programs and efforts to preserve the global environment, ministry officials said.

The voluntary deposit for international aid, launched by the ministry, is a special deposit system in which 20 percent of interest collected is earmarked for citizens' groups tackling such global problems as environmental degradation.

The ministry has raised 2,326.36 million yen for 185 groups and some 250 of their programs. Of the total, one-fourth, or 640 million yen, will go to help Cambodian refugees and support environmental protection activities, a ministry official said.

The fund also includes six economic aid targets for Commonwealth of Independent States.

Money will also be donated to a Buddhist group which has been supporting job training in Cambodia, and a Kyoto group helping to plant trees in India's Deccan Plateau, he added.

Lower House Composition After Saito's Death

OW1806142792 Tokyo KYODO in English 1412 GMT 18 Jun 92

[Text] Tokyo, June 18 KYODO - Kunikichi Saito, former secretary general of the ruling Liberal Democratic Party (LDP) and a House of Representatives member, died of kidney failure Thursday at a Tokyo hospital, his aides said. He was 82.

A bureaucrat-turned-politician, Saito was first elected to the lower house from a constituency in Fukushima Prefecture, northeastern Japan, in 1958.

He was reelected in every contest since then, for 12 consecutive terms, and served such posts as health and welfare minister and director general of the Management and Coordination Agency.

Saito held the powerful post of LDP secretary general under the late Prime Minister Masayoshi Ohira in the late 1970s.

He was serving as deputy president of Prime Minister Kiichi Miyazawa's LDP faction when he died Thursday night.

The prime minister had visited him earlier in the day.

Following is the new makeup the lower house after Kunikichi Saito's death:

LDP	277
SDP	137
Komeito	46
JCP	16
DSP	13
Shinminren	5
Independent	6
Vacancies	12
Total	512

Diet Session Ends; Mass Resignations Unresolved

OW1906122692 Tokyo KYODO in English 1216 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—The Diet, which enacted the United Nations peacekeeping cooperation law authorizing the dispatch of Japanese troops abroad, virtually wrapped up a 150-day ordinary session Friday before waiting for Sunday's expiration.

But the handling of mass resignations tendered by House of Representatives members of the Social Democratic Party (SDP) and United Social Democratic Party (UDSP) remains to be settled and will be carried over for deliberation after the session closes.

The focus of the political situation will now shift to the upcoming House of Councillors election, political analysts said.

The upper house election campaign is expected to begin July 8, and the election is to be held July 26.

On Friday, the Diet passed 10 bills and approved two treaties, including a package of bills aimed at boosting efficiency and creating sound competition in the Japanese financial market, a revised medical bill and a bill to help ensuring human resources such as nurses.

Political reform bills and the amendment of the antimonopoly law will be taken up by the next Diet session, expected to open in the autumn.

Of the 84 bills the government submitted to the Diet, 80 had been approved, bringing the rate of government-proposed bills enacted during the session to 95.2 percent, the fourth best rate.

After twists and turns in the parliament, the U.N. peacekeeping bill passed through the both houses after a series of all-night deliberations.

The SDP and the Japanese Communist Party, joined by minor opposition parties, blocked votes on the bill in both chambers of the Diet through an array of non-confidence motions.

They also used a filibuster tactic known as the "ox-walk" in which legislators sway and meander across the floor to the voting box so slowly that votes can take hours.

Voting on June 8 on a non-confidence motion against Shinichiro Shimojo, chairman of the upper house's special committee on peace and cooperation, took a record 13 hours in an all-night plenary session.

The peacekeeping bill was originally submitted to the Diet in September 1991 by Prime Minister Kiichi Miyazawa's predecessor Toshiki Kaifu and has been deliberated in three Diet sessions since then.

The bill allows the dispatch abroad of up to 2,000 Self-Defense Forces (SDF) personnel to join U.N. peacekeeping efforts.

It includes a ban on SDF participation in operations that might involve military action. To lift the ban, new legislation is required.

SDF personnel will be permitted to carry light weapons similar to those carried by other peacekeepers but can use them strictly for self-defense.

The legislation also calls for a review of the legislation three years after its enactment, and an inter-party body to discuss the review will be created within two years.

The only overseas deployment of Japanese troops since World War II was an SDF minesweeping task force sent to the Persian Gulf last year.

On Monday, several hours before the House of Representatives enacted the peacekeeping bill, the 141 lower house members of the SDP and USDP submitted their resignations to speaker Yoshio Sakurauchi to show their strong opposition to the bill.

They are hoping the move will force Miyazawa to dissolve the lower chamber and call a general election.

The SDP, with 137 members, and the USDP, with four, asked Sakurauchi to arrange a lower house vote on the request in Friday's plenary session, the officials said. Resignation of a Diet member requires approval from the chamber to which the legislator belongs, while the Diet is in session.

In a meeting with SDP Chairman Makoto Tanabe and USDP head Satsuki Eda, Sakurauchi rejected their demands for the voting and said he would make efforts to settle the issue before the next session.

Decision on Resignations Delayed

OW1906135592 Tokyo NHK General Television Network in Japanese 1000 GMT 19 Jun 92

[Text] The 123d ordinary session of parliament virtually ended while members of the Social Democratic Party of Japan [SDPJ] boycotted the lower house plenary session this afternoon. Lower house speaker Sakurauchi has decided to delay a decision on the en masse resignation submitted by the SDPJ and the United Social Democratic Party [USDP].

The 123d ordinary Diet session was scheduled to end on 21 June, but since that is a Sunday, the final lower house plenary session was held this afternoon. Members of the SDPJ and the USDP, who submitted letters of resignation, were absent form the session. In their absence, other members approved the bill on increasing the number of qualified nurses and other bills.

In the upper house plenary session held earlier this morning, a draft revision of Japan's medical laws, designed to classify hospitals into three groups on the basis of medical treatment they provide, were approved.

Yoshio Sakurauchi, lower house speaker, met today with SDPJ Chairman Tanabe and USDP Secretary General Abe to discuss the letters of resignation that were submitted by the two parties. In the meeting, chairman Sakurauchi said that, as the speaker, he would try hard to resolve the issue by the time the next Diet session opens. Thus, it has been decided that the chairman would keep the resignation requests for the time being and that a decision on this issue would be delayed.

In the midst of this, lower house SDPJ Diet members held a meeting this evening. Party chairman Tanabe said that the resignations submitted by the party members captured great public sympathy. He confirmed the party's resolve to resolutely fight to the end. Tanabe stressed that the party would continue even after the Diet session closed to call for an approval of the resignation requests as soon as possible.

SDPJ Secretary General Yamahana said that the members would retain their status as legislators until the resignation letters were accepted, suggesting that they would continue to hold legislative rights. He suggested that the members will continue to receive their salaries, be able to use parliamentary facilities, and retain other privileges.

[Begin reporter Kenichi Yasui recording] The current session was full of unprecedented developments. The passage of the peacekeeping operations bill, which was the main focal point of the final phase of the current Diet session, came after many nights of debate and led to an unprecedented situation in which letters of resignation were submitted by all the SDPJ and USDP members. No resolution has been reached on the resignation issue, and it does not yet look likely that the resignations will force an early general election after dissolution, which is the aim of the SDPJ. Prolonged debates on the UN peacekeeping operations bill prevented any concrete outcome on the other important issues, like political reform and redistribution of lower house seats. Now that the current session is virtually over, however, attention will shift to the upper house election, slated to be held next month.

The parties will launch their election campaigns, raising questions on the propriety of the peacekeeping operations law, the issue of political ethics, and other matters. Conflict over the peacekeeping operations law, however, is likely to influence not only campaign alliances among opposition parties but also the political picture after the election. [end recording]

Fumio Abe Pleads Not Guilty to Bribery Charge

OW1906070592 Tokyo KYODO in English 0534 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Former cabinet Minister Fumio Abe pleaded not guilty in court Friday to prosecutors' charges that he had received 90 million yen in bribes from Kyowa Co., a now-bankrupt steel-frame maker.

In the first hearing of the trial at the Tokyo district court, Abe, 69, said he received the money from Goro Moriguchi, former vice president of Kyowa, as a political donation, and that the company made no requests to him in return for the money. He said he did not give any political favors to Kyowa.

The Kyowa bribery scandal rocked the government of Prime Minister Kiichi Miyazawa because Abe was secretary general of the ruling Liberal Democratic Party (LDP) faction led by Miyazawa when the case emerged. Former Prime Minister Zenko Suzuki and Jun Shiozaki, former chief of the Management and Coordination Agency, were also involved in the scandal. The two veteran politicians also belong to the Miyazawa faction.

Asked at a press conference Friday about the Abe trial, Chief Cabinet Secretary Koichi Kato said he would not make any comments on an ongoing trial in a court of law.

Abe, 69, was arrested on January 13 on suspicion of accepting 90 million yen from Moriguchi, 49, on seven occasions from August 1989 through January 1990 in connection with the company's development projects in Hokkaido.

If convicted, Abe faces a maximum of seven years in prison.

Abe, former director general of the Hokkaido and Okinawa Development Agencies in the cabinet of Prime Minister Toshiki Kaifu, was indicted on February 1 but was released on February 4 on bail of 50 million yen.

Upon his arrest, Abe left the LDP and the party's second-largest faction led by Miyazawa. Abe, however, still retains his seat in the House of Representatives despite strong public criticism.

Prosecutors told the court that Abe became acquainted with Moriguchi around mid-February 1989.

In late April of that year, Abe asked Moriguchi for financial assistance, saying he was sure to become a cabinet member in the next cabinet reshuffle, the prosecutors said.

Moriguchi asked Abe to help obtain information about a plan to build a highway in Kamiiso, Hokkaido, in mid-August 1989 just after Abe was appointed director general of the Hokkaido and Okinawa Development Agencies, they said.

At that time, Abe told Moriguchi that he would do his best for the benefit of Kyowa, according to the prosecutors.

Abe also informed Moriguchi of a plan to build a multipurpose domed stadium in Sapporo and pledged his full support for Kyowa to join the project, they charged.

In reply to Moriguchi's requests, Abe asked Hokkaido Development Agency officials about the planned route of the highway and introduced Kyowa employees to senior officials of the agency in his office, the prosecutors said.

In a separate trial at the Tokyo district court, Moriguchi pleaded guilty in April to bribing Abe with 90 million yen in a bid to obtain Abe's political influence.

The next hearing in the case is set for July 3.

Panel Approves Defense Agency Budget Increase

OW1906023192 Tokyo KYODO in English 0212 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—The National Defense Panel of the ruling Liberal Democratic Party (LDP) on

Friday approved the Defense Agency's request for a 4 percent increase in military spending to 4.73 trillion yen in fiscal 1993, starting next April 1.

Agency officials said the proposed increase is down from the fiscal 1992 request for a 5.8 percent rise and is the lowest since the government introduced the appropriations ceiling system in fiscal 1982.

They said the agency is seeking the 4 percent increase in defense spending to facilitate "balanced" defense capabilities and improve working conditions for Self-Defense Forces personnel.

The 4.73 trillion yen budget request calls for an increase of 88 billion yen for an improvement of working conditions for SDF personnel, including 25 billion yen in additional spending to defray the cost of stationing U.S. military forces in Japan.

But government sources said the Finance Ministry, citing budgetary restraints, will limit any increase in Japan's defense spending to less than 3 percent in the fiscal 1993 budget.

The agency said it has no cost estimates for deployment of SDF personnel to United Nations peacekeeping missions. The powerful House of Representatives on Monday approved a bill allowing Japanese troops to be sent overseas on such missions.

Final Approval Given Financial Reform Bills

OW1906020292 Tokyo KYODO in English 0156 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—The Diet gave final approval Friday to the largest-scale revamping of Japan's financial system in the postwar period.

The House of Councillors enacted at its plenary session a package of bills aimed at boosting efficiency and creating sound competition in the Japanese financial market.

The overhaul, involving revision of 16 financial laws, will come into force next January 1.

One of the focuses of the reform, which has taken shape after years of debate since the mid-1980s, is to lower the barriers among a variety of financial businesses that were imposed just after the war to protect the fledgling industries. It will allow ordinary commercial banks, trust banks, and securities companies to enter each other's business turf through subsidiaries.

Under the deregulations, specialized financial institutions such as Japan's three long-term credit banks and the leading foreign exchange bank, the Bank of Tokyo, can convert themselves into ordinary commercial banks or merge with companies in different business fields.

Major Japanese commercial banks and securities houses, which had been expecting the final go-ahead for the reform, are readying themselves to enter new business areas.

Following the enactment of the bills, the Finance Ministry will compile rules detailing such points as the scope of business that subsidiaries can engage in.

Separately, the upper house approved a bill to tighten government supervision over so-called "nonbanks," financial companies such as those involved in credit and leasing.

The legislation requires nonbanks to report their loans for stock investment, as well as those for real estate investment as required under current rules.

The alteration is aimed at responding to criticism that lax scrutiny over nonbanks is partly responsible for the problems many of them face stemming from bad loans they made mainly to real estate developers during the speculative "bubble" economy in the 1980s.

Tsuneo Wakai, chairman of the Federation of Bankers Associations of Japan, described the passing of the bill as a significant initial step in the creation of a new financial system toward the 21st century.

It will promote competition, which could lead to providing a better service to clients as well as establishment of a system that is capable of being accepted internationally, he said.

Ministry To Lower Policy Spending Ceiling

OW1806141392 Tokyo KYODO in English 1341 GMT 18 Jun 92

[Text] Tokyo, June 18 KYODO—The Finance Ministry plans to keep the growth of policy-related spending in the fiscal 1993 budget below the year-earlier level due to dim prospects for tax revenue growth, ministry sources said Thursday.

The ministry intends to keep the growth of policy-related outlays at around 4.8 percent for budgetary requests from government ministries and agencies for the next fiscal year starting April 1, 1993, the sources said.

The limit is less than the 5.2 percent ceiling used in drafting the fiscal 1992 budget, although the sum of policy-related spending would top 40 trillion yen for the first time ever, reaching some 40.5 trillion yen, they said.

The decision came days before the cabinet is to adopt a ceiling on budgetary requests for fiscal 1993 next Tuesday as a first step toward compiling the fiscal 1993 budget.

The ministry plans to set aside a 110 billion yen special account to finance studies on daily life, in line with Prime Minister Kiichi Miyazawa's pledge to achieve a higher quality of life, the sources said.

On top of this, the ministry intends to scale up the existing special account established to enhance living standards through public works projects by 50 billion yen to 250 billion yen. The move comes in light of growing calls from abroad to boost domestic demand, they said.

The account, together with another 200 billion yen special account for public works, was formed in the fiscal 1992 budget to help implement Japan's pledge to the United States to spend 430 trillion yen at home over 10 years from fiscal 1991 for public works.

As a result, the pace of growth in investment-related government expenditure, including those for public works, would be roughly 5.4 percent, slightly above the 5.1 percent growth in the fiscal 1992 budget, the sources said.

On other spending categories, the ministry is negotiating with the Defense Agency on holding down the growth of defense spending at around 3 percent, well below fiscal 1992's 3.8 percent increase, itself the lowest growth since fiscal 1960.

As for spending on foreign aid, behind-the-scenes negotiations are under way between the Finance and Foreign Ministries over official development assistance (ODA) spending growth.

The Finance Ministry wants to keep the growth below 8 percent, while the Foreign Ministry is pressing for nearly 10 percent.

Government sources have said the two ministries will compromise at around 9 percent.

Setting a ceiling on budgetary requests is the first significant step by the Finance Ministry to launch budget-drafting work that usually lasts until the end of a year.

Based on the requests submitted by other ministries and agencies, the Finance Ministry drafts a budget that provides the rigid framework of government spending.

Capital Spending Plans Show 3.7 Percent Decline

OW1806150392 Tokyo KYODO in English 0854 GMT 18 Jun 92

[Text] Tokyo, June 18 KYODO—Japanese companies plan to reduce their capital spending by 3.7 percent in fiscal 1992 from the previous year, a private research institute said in a survey released Thursday.

Daiwa Institute of Research said 200 companies in 28 industries surveyed plan to invest 16,030.6 billion yen in plant and equipment in the business year ending next March 31.

Capital spending in fiscal 1991 was 16,641.4 billion yen, up 5.3 percent from the previous year, compared with a 16.5 percent advance in fiscal 1990, institute officials said.

The researchers attributed companies' cautious investing stance to dismal 1991 earnings, economic uncertainty, and difficulty in raising funds due to the slumping stock market.

For all industries in the current fiscal year, the institute predicted a total fund shortage of 5.35 trillion yen for capital spending.

Kozo Watanabe Urges Economy-Boosting Measures

OW1906021392 Tokyo KYODO in English 0206 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—International Trade and Industry Minister Kozo Watanabe called on the government Friday to take additional pump-priming measures by the end of this month.

Watanabe said he would like to see a positive economic package, including a large-scale supplementary budget, worked out before Prime Minister Kiichi Miyazawa leaves for Washington June 30 for a meeting with U.S. President George Bush.

The Bush administration earlier called on Japan to adopt a sizable supplementary budget to help spur growth of the world economy.

The government in March adopted a six-point fiscal package aimed at propping up the economy, including front-loading public works outlays in the early part of fiscal 1992.

Watanabe said the Economic Planning Agency has admitted it was too optimistic about the attainment of the 3.5 percent economic growth target set by the government for fiscal 1992, which began April 1.

He said the government and the ruling Liberal Democratic Party have reached unanimity of views that the domestic economy now faces a severe environment.

It will be difficult to attain even a 2 percent economic growth under the present circumstances, Watanabe said, and the government should take fiscal measures which will help bring about an additional 1.5-1.6 percent growth.

MITI Urges Public Investment To Boost Economy

OW1906082592 Tokyo KYODO in English 0809 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Japan should further increase public investment to sustain economic growth led by domestic demand, the Ministry of International Trade and Industry (MITI) said in a report released Friday.

In its third annual report on Japanese industry, the ministry called for active investment in public works projects, based on an analysis of macroeconomic and microeconomic industrial trends during the latest business cycle.

Private-sector capital spending and personal consumption, which had contributed to the nation's recent economic expansion, turned sluggish amid growing concerns that inventories had grown too large, the 1992 report said.

Since 1985 Japan's economic dependence on exports has decreased, while domestic demand has increased, the report said.

Under the circumstances, the recent slowing of economic growth led first to a sharp drop in finished products after the October-December quarter of 1990, then, a quarter later, to a decline in producer goods, it said.

In the past, economic slowdowns have affected producer goods much more than finished products, the report said.

Early in the most recent economic expansion, private consumption of durable goods was active, with the average household owning two air conditioners and 1.5 passenger cars, it said.

Consumption of imports has also increased, while housing starts topped 1.7 million in 1990 for the first time since 1973, it said.

But in the wake of robust consumption, demand shrank and inventories piled up, the report said.

Private-sector investment in plant and equipment rapidly increased to 19.6 percent of Japan's nominal gross national product (GNP) in 1990 to cope with a jump in production and a labor shortage, it said.

Since 1991, however, capital spending has dropped, due mainly to higher interest rates, deteriorating business performance, and the sluggish stock market, according to the report.

The economic expansion with increasing domestic demand worsened the labor shortage, especially in the commerce, transportation, services, engineering and construction, and medical and social welfare sectors.

The report said such industries cannot easily increase production simply by improving productivity.

The labor shortage helped promote employment of women, older workers, and experienced workers who wanted to change jobs, the report said.

Since 1991, however, the labor shortage has begun to ease, it said.

The report called for continued careful monitoring of the employment situation, saying companies are coping with the economic slowdown by cutting work hours, not firing employees.

Hata on Steps To Revive Stock Market, Economy

OW1906024492 Tokyo KYODO in English 0230 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Finance Minister Tsutomu Hata on Friday ruled out any immediate measures to revive the slumping domestic stock market, saying the important thing is to make efforts in restoring market confidence that was damaged by a series of stock scandals.

But Hata, speaking at a news conference after Friday's cabinet meeting, said he is requesting corporations to raise their dividend payments, while the Justice Ministry is considering easing regulations on acquisition by companies of their own shares, to substantially recuperate the stock market.

On the possibility of introducing a supplementary budget to boost the nation's economy, Hata said it is necessary to further watch the effects of the government's emergency economic stimulation package announced March 31 and the cut in the official discount rate on April 1. The rate was cut by .75 percentage points to 3.75 percent.

He said Japan's economy is currently in the severest stage, but housing investment is showing signs of recovery, while inventory adjustments are proceeding in some areas.

Hata ruled out the possibility of another cut in the official discount rate, saying stock prices went down after the April cut instead of going up.

Miyazawa To Compile Large Supplementary Budget

OW1906140392 Tokyo KYODO in English 1340 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Prime Minister Kiichi Miyazawa vowed Friday to compile a large-scale supplementary budget to provide additional fiscal thrust to the slowing economy, ruling party officials said.

In a meeting with Yoshiro Mori, chairman of the Liberal Democratic Party's Policy Affairs Research Council, Miyazawa said he is prepared to compile such a budget and has already considered revenue sources.

Miyazawa's remarks came in the wake of a call by LDP Vice President Shin Kanemaru earlier in the day for a hefty supplementary budget to stimulate the economy.

Miyazawa told Mori the Finance Ministry may not agree to set a specific date for drafting the budget, but urged the LDP to discuss both its scale and the date.

Strong voices have been heard within the LDP for the hammering out of specific economic policies prior to the July 6-8 Munich Summit of seven industrialized nations and the House of Councillors election in late July.

Politicians are concerned about the tumbling stock market and worry that Japan will come under strong pressures from its major trading partners at the Munich Summit to take further steps to boost domestic demand.

In the Friday meeting, Mori called for an early initiative by the prime minister, saying it will be too late for Japan to take stimulative measures after the U.S.-Japan summit talks or the Munich Summit, officials said.

Prior to the Munich Summit, Miyazawa is scheduled to visit Washington for talks with President George Bush.

Earlier in the day, LDP Vice President Kanemaru said the sluggish economy needs a fiscal injection of as much

as 8 trillion yen, and called on the government to announce a supplementary budget of that size before the Munich Summit.

The LDP's top officials are scheduled to meet next Monday to discuss stimulative measures, including a supplementary budget.

But Vice Finance Minister Hiroshi Yasuda gave the cold shoulder to calls for a large-scale supplementary spending plan, saying the government is already doing its utmost to boost domestic demand.

Yasuda noted that the fiscal 1992 budget is aimed at stimulating domestic demand and is well complemented by powerful fiscal and loan programs and aggressive spending plans of local governments.

The fiscal stimulus package the government announced on March 31, including a 75 percent front-loading of public works projects for fiscal 1992, is also working well, he said.

Tokyo To Review Rice Producers' Subsidies

OW1906035692 Tokyo KYODO in English 0323 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Agriculture, Forestry and Fisheries Minister Masami Tanabu said Friday that the government plans to review the state system of subsidizing producers' marketing of rice.

Tanabu told a press conference after the day's cabinet meeting that the system has achieved its goal of promoting marketing by producers as such rice now accounts for 78 percent of the country's total rice consumption.

"I think we need to study some other ways" of promoting producers' marketing of rice, he said.

Tanabu said, however, that such a revision faces stiff opposition from rice growers and from within the Liberal Democratic Party (LDP), which is heavily dependent on farm votes.

"There is strong resistance from the LDP and farmers. We need to take time to listen to the opinions of each party involved before reaching final decisions," he said.

The government started subsidizing the marketing of rice by growers in 1969 to reduce the government's full purchase and marketing of rice, which put a sizable squeeze on state coffers.

The amount of subsidies paid to growers for the rice they sell currently stands at 1,440 yen per 60 kilograms for "koshihikari," "sasanishiki," and other high-quality, popular brands, and at 1,410 yen for ordinary brands.

Tokyo Urges Tougher Measures To Save Energy

OW1806150492 Tokyo KYODO in English 1126 GMT 18 Jun 92

[Text] Tokyo, June 18 KYODO—The government decided Thursday on ways to save energy during the summer as part of its efforts to reduce burden on the global environment, the Ministry of International Trade and Industry (MITI) said.

The ministry called for [words indistinct] the officials said.

The temperature of computer rooms should also be kept around 28 C [centigrade], as long as it does not cause trouble, they said.

Last summer, the ministry requested keeping room temperatures between 26 and 28 C.

Among other measures to save energy were introduction of efficient air conditioners and hot water supply equipment, appropriate use of electricity under the time-by-time electricity fee system, and selection of vehicles with high fuel efficiency, the officials said.

The government also intends to proceed with a study on the pros and cons of a summer daylight savings time system, they said.

Among 24 member nations of the Organization for Economic Cooperation and Development, only Japan and Iceland have yet to introduce the system, the officials said.

Support Pledged for Women in Developing Nations

OW1906123292 Tokyo KYODO in English 1148 GMT 19 Jun 92

[Text] Tokyo, June 19 KYODO—Prime Minister Kiichi Miyazawa said at a symposium Friday that Japan is committed to supporting Third World women who are major contributors to the development of their countries.

Speaking at the prime minister's office annual seminar on the status of women, Miyazawa also declared that providing more opportunities for Japanese women outside the home is an important element of his scheme to improve the quality of life.

"I am doing my utmost to create a society where women can make use of their abilities and experience," he told the audience of more than 1,000.

In 1991, Japanese aid programs earmarked 45 million dollars worth of grants and 1 million dollars in loans to developing countries for rural water projects, education and other projects aimed at improving life for women.

Author Chizuko Ueno, a women's studies instructor at Seika University, called for an increase in women participating in politics and government.

"If there are not more women in government, the world won't change," she said. Ueno, referring to Miyazawa,

added that she was embarrassed to appear on a panel sponsored by a prime minister who did not have any women in his cabinet.

In 1989, then Prime Minister Toshiki Kaifu included a record two women in his first 21-member cabinet. Only women was given a cabinet post in subsequent three cabinets. [sentence as received]

Several members of the audience sought advice on how to counter discrimination they said they experienced in seeking employment.

A 20-year-old senior at Waseda University said that female university graduates appear to be the first squeezed out of the job market when the economy takes a downward turn.

She said she was pressed in an interview with Nissan Motor Co. to declare what she would do if she were married and her husband were transferred to southern Japan.

"In order to get a job, I have to say I don't really like children and I want to work all my life," she said, confessing she hopes to have three children.

Nissan was not immediately available for comment.

A Labor Ministry official said it is not "desirable" for employers to ask only female candidates about their family plans, but it is not necessarily a violation of the Equal Employment Opportunity Law.

The law advises companies to avoid imposing different employment conditions for women and men in areas such as child rearing and marriage, but does not punish violators.

Panelist Isamu Miyazaki, a former bureaucrat at the Economic Planning Agency, advised the women in the audience to flex their consumer muscle and boycott companies that have discriminatory employment practices.

The symposium, held annually by the prime minister's office to promote a government action plan for improving the status of women, was attended by members of women's civic groups and local officials in charge of women's policies.

North Korea

Commentary Denounces U.S. 'Ambition To Invade'

SK1906021892 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 16 Jun 92

[Commentary by station commentator Chong Pong-kil: "Unchanged Ambition To Invade North"]

[Text] U.S. President Bush participated in a groundbreaking ceremony to erect the so-called Korean War Veterans Memorial near the Lincoln Memorial in Washington. He raved that the United States will observe and fulfill the U.S. duty for peace on the Korean peninsula, not giving up halfway.

This reveals his inner intention to agitate U.S. citizens into a war fever to invade the North and to persistently realize their ambition to invade the North. This is an evil challenge to our people and to the world's peace-loving people, who unanimously want peace and the peaceful reunification of Korea.

As for the U.S. imperialist aggression forces part in the Korean war, their participation was aimed at realizing their dirty ambition of aggression, by eliminating our newly founded Republic in its infancy, and by occupying all of Korea. The U.S. imperialists, who brought about the northward invasion war approximately 40 years ago, conducted the unprecedented war offensive of ruthlessly destroying and murdering everything by mobilizing enormous aggression forces. However, owing to the heroic struggle of our people and the People's Army's soldiers, they were defeated ignominiously.

The U.S. imperialists should learn from the ignominious defeat in the Korean war; should stop intervening in the Korean peninsula; and should get out of South Korea.

Nonetheless, even though decades have passed since the Korean war ended, the U.S. imperialists have occupied South Korea and run wild in preparing for a northward invasion war. Furthermore, they are constructing the Korean War Veterans Memorial in Washington. Such U.S. imperialists' maneuvers cannot be construed otherwise than to agitate new U.S. generations toward developing northward invasion war fever in a bid to realize their ambition to invade the Korean peninsula someday.

Even worse, Bush raved that the United States will observe and fulfill the so-called U.S. duty at a time when the North-South agreement, which confirms that the North and the South should not use armed force and should not invade each other, was adopted and ratified and when the agreement is about to be implemented.

Because the North and South confirmed that they will not invade each other, the danger of southward invasion and northward invasion does not exist on the Korean peninsula. Therefore, there is no reason for the United States to station their aggression ground forces in South Korea as a deterrent. For this reason, they should duly withdraw the aggression forces from South Korea. However, not uttering a word about this, Bush babbled about the so-called U.S. duty for peace. This is unreasonable.

Peace on the Korean peninsula has been actually threatened by the U.S. aggression forces' occupation of South Korea and their war maneuvers. After the North-South agreement was adopted and ratified, the U.S. imperialists brought aggression forces into South Korea and conducted war exercises along with the South Korean puppets daily to invade the North. Because of the indiscreet U.S. war maneuvers, our country's situation is extremely tense.

The U.S. imperialists' occupation in South Korea has become a constant source of war. It is unreasonable for the heinous U.S. imperialist aggressors, who have occupied the

other half of the country with armed forces and run wild in preparing for a northward invasion war, to babble about so-called duty. The obligation for peace on the Korean peninsula is assigned to the Korean people. The duty can be fulfilled by our people's peace-loving efforts.

Bush's duty is to sincerely withdraw the U.S. forces from South Korea. Bush's babbling about the duty for peace is a presumptuous sophistry that is likened to a wolf protecting a lamb. Some time ago, it was revealed that the U.S. imperialists wove a 120-day war scenario targeting the northern half of the republic and have accelerated war preparations to realize it. Bush's remarks on continuing his so-called duty and not giving up halfway are maneuvers to constantly press ahead with northward invasion plans such as the 120-day war scenario.

Facts show that the U.S. imperialists' ambition to invade the North has not changed and that they are heinously maneuvering to realize their ambition. The U.S. imperialists are on the warpath, while running counter to current trends and the desires and aspirations of our people. This can never be tolerated.

Our people do not want war, but are never afraid of war. The U.S. imperialists should look straight at the Korean people's surging fever for reunification and act with discretion. They should withdraw aggression forces and lethal weapons from South Korea as required by our people and the world.

Journalists Demand Yi In-mo's Repatriation

SK1806114692 Pyongyang KCNA in English 1041 GMT 18 Jun 92

[Text] Pyongyang June 18 (KCNA)—Journalists and pressmen in Pyongyang held a meeting today and strongly demanded the repatriation of Mr. Yi In-mo, a former war correspondent of the Korean People's Army, to the northern half of Korea.

Choe Yong-sam, first vice-chairman of the Central Committee of the Korean Journalists Union, who delivered a report, and speakers said it is an inhumanitarian act and a grave violation of human rights awefully contradictory to the international law and the idea of the press that the South Korean authorities transferred Mr. Yi In-mo who should have been sent back to the northern half of the country when POWs were being exchanged after the war from a POW camp to a prison where he had to suffer for 34 years for the reason that he wanted national reunification and refused to recant his patriotic constancy.

They branded the violation of human rights by the South Korean authorities as a criminal act grossly contradictory to the Korean Armistice Agreement, the Geneva Conventions and to the spirit of the North-South agreement and wantonly trampling down humanitarianism and Red Cross idea, and demanded an immediate return of Mr. Yi to the northern half of Korea.

The reporter and speakers warned that if the South Korean rulers persistently keep Mr. Yi from returning to his hometown, they will be held wholly responsible for unpredictable consequences arising therefrom before history and the nation.

The meeting adopted a letter to the South Korean journalists and pressmen.

The letter expresses the hope that the conscientious journalists and pressmen of South Korea will discharge their mission as guide of the times and mouthpiece of public opinion for the repatriation of Mr. Yi In-mo, for the release of the long-term prisoners who refused to be converted and pro-reunification patriots who are now suffering in prison and for the independence and democratisation of the South Korean society and the peaceful reunification of the country.

Iron, Steel Works Increasing Production

SK1806151092 Pyongyang KCNA in English 1500 GMT 18 Jun 92

[Text] Pyongyang June 18 (KCNA)—The steel and iron works of Korea are increasing their production.

The Chollima steel complex turned out some 20,000 more tons of iron and steel in May than in April and is now maintaining a high and steady rate of production.

The Kim Chaek iron complex is now carrying out its daily quota of steel and iron production at 130 per cent by minutely organizing economic performance and regularly repairing and readjusting converters and equipment of rolling and sintering systems.

The production of iron and steel went up 6 and 4 percent respectively as of June 15 over that in the same period of the previous month at the Hwanghae iron complex and the Songjin steel complex.

Increased Power Plant Construction Plans Outlined

SK1806085792 Pyongyang Korean Central Broadcasting Network in Korean 0009 GMT 15 Jun 92

[NODONG SINMUN 15 Jun editorial: "Let Us Continue To Concentrate Great Efforts on Building Power Plants"]

[Text] Today when constant progress and innovation are being achieved in all fronts of socialist economic construction, one of the most important tasks facing us is to vigorously accelerate the construction of power plants and, thus, to expedite the start of their operation.

The dear leader Comrade Kim Chong-il has indicated: The fastest way to meet smoothly the daily growing demands of electric power is to construct medium- and small-sized power plants as well as accelerate construction of large-scale power plants.

Electric power is a leading sector of the national economy and the basic power of production. Only when we rapidly develop power industry by concentrating

efforts on it and rank it above other sectors can we strengthen the country's economic might and smoothly solve the people's food, clothing, and housing problems according to socialism's demands.

At present, the problems of regularizing production at a higher level and of thoroughly implementing the party's policy on technological revolution in all sectors of the national economy greatly depend on the development of power industry. An important way to give priority to power industry over other sectors is to build many power plants and, thus, to increase electric generation capability.

With deep insight into the significance and importance of power production in the overall development of the national economy and in the improvement of the people's living standard, our party has presented early on the policy of correctly combining construction of hydroelectric power plants and construction of thermal power plants and of keeping abreast of the construction of large-scale power plants and medium- and small-sized power plants. Our party has wisely organized and led the struggle for the implementation of this policy.

Thanks to the wise leadership of the party and leader, many power plants, large and small, have been built everywhere in the country, and their generation capability has been greatly increased. In particular, the one-sided view of power industry, which resorted to water power only, and the seasonal limitations in power production have been overcome. The country's self-reliant power base has been firmly built qualitatively.

As the overall national economy has more rapidly developed, however, and, in particular, as economic size has become incomparably large as a result of the vigorous acceleration of the construction of large plants in recent years, the demands for electric power have rapidly increased.

We must concentrate on constructing power plants continuously to to smoothly meet the constantly increasing demands for power and to fully operate all plants and enterprises our people have build by highly displaying the revolutionary spirit of self-reliance and fortitude under the party's leadership.

On many recent occasions, the great leader Comrade Kim Il-song taught about the need to concentrate efforts on building power plants and took epochal steps to vigorously accelerate the construction of power plants.

At present, we should actively accelerate construction of large-scale hydroelectric and thermal power plants and medium- and small-sized power plants, which has already started, and expedite their operation. By doing so, the country's self-reliant power base will be more firmly deepened, and the increasing power demands for the national economy will be met more smoothly.

To actively accelerate the construction of power plants, we must first have all functionaries and workers uphold the party's intent, demand acceleration of power plant construction, and mobilize themselves into this work ideologically.

Electric power is used in all sectors of the national economy and all areas of people's lives. Therefore, increasing power production by building many power plants is an important guarantee for vigorously accelerating economic construction and promoting people's lives.

Building power plants is a lofty work for the country's prosperity and development and people's happiness. Keeping deep in mind that vigorous acceleration of the construction of power plants is not merely a simple working-level problem but an urgent and significant work our party intends to carry out by concentrating great efforts, all functionaries and workers should ideologically mobilize themselves for this work and fulfill their assigned tasks quickly and successfully.

In particular, functionaries and workers in the power plant construction sector and relevant sectors and units should uphold with all their hearts the party's demand to actively accelerate construction of power plants and should thoroughly embody it.

Building power plants is a proud work to build monumental structures of the Workers Party era and a rewarding struggle to prepare happiness for coming generations.

Power plant builders throughout the country should strenuously exert themselves further so that the flames of the speed battle can be vigorously ignited in each construction site.

Great is the revolutionary enthusiasm of power plant builders, who have launched into the construction of power plants, upholding the great leader Comrade Kim Il-song's teaching and party's intent to further accelerate construction of power plants. They are waging a vigorous struggle with overflowing determination to carry out their tasks assigned by the party ahead of schedule.

Functionaries, workers, and three revolutions team members at the First Hydroelectric Power Construction Complex and the 12th Thermal Power Construction Station, who are in charge of building Namgang Power Plant and December thermal power plant, are speeding up the construction while registering new innovations in all construction projects, including the placing of concrete embankments and assembling of generators and boilers.

All builders and soldiers of the People's Army in charge of power plant construction should set higher goals based on their achieved successes and continue to accelerate the pace of their march. The leading staff in the power plant construction sector should go down to construction sites to acquaint themselves with the situation in detail and plan and coordinate labor and organizational work that conforms with changing conditions.

Functionaries should maintain close contacts with relevant sectors and take thorough measures to supply facilities and materials. Also, they should set up phased

goals and plan and coordinate work so that daily quotas can be fulfilled without fail.

Power plant builders should cherish deep in their hearts the honor and pride of building proud creations to be handed down to generations and uphold the party's lofty intent. Thus, they should bravely overcome difficulties that arise in the course of construction projects with the revolutionary spirit of self-reliance and fortitude. Builders and technicians should improve the quality of construction as well as economize precious materials by pooling their creastive strength and wisdom and actively adopting new construction methods.

Namgang Power Plant, Yongwon Power Plant, Tong-Pyongyang Thermal Power Plant, December Thermal Power Plant, and Haeju Thermal Power Plant are important construction objects on which we have to concentrate the greatest efforts. Functionaries, builders, and soldiers of the People's Army, who are engaged in the construction of these power plants, should set forth the high goal to produce electric power as soon as possible and actively struggle for it, keeping in mind that the party's confidence and trust in them are very great.

The construction of Orangchon Power Plant, Kumya River Power Plant, and many other power plants also should be accelerated. The construction sector should imminently make thorough construction preparations, including providing aggregate and sand in advance, so that construction can be carried out without difficulty, even during the rainy season. To actively accelerate construction of many power plants, we must carry out this work as work for the whole party, the country, and people.

Committees and ministries concerned of the State Administration Council should thoroughly plan and coordinate work and materials supply and uphold the party's intent to actively accelerate construction of power plants. One of the most important demands in accelerating construction of power plants is to responsibly produce and supply materials and facilities for the construction sites.

State economic guidance functionaries should set up a system of emphasizing the production and supply of various materials and facilities needed to build power plants and should strictly exercise guidance and control to see that they are produced and supplied unconditionally.

Most important in the work of supplying materials to build power plants is to smoothly supply cement and steel materials to construction sites. The building materials industry and metal industry sectors should produce more cement and steel materials by fully operating cement plants and iron and steel works. Communications and transportation sectors should deliver produced materials such as cement and steel materials to construction sites on time. Relevant sectors should emphasize supplying not only cement and steel materials but also modern plant machinery, wooden materials, rails, and fuel oil.

Power generation facilities are the basic production means of electric power. Plants and enterprises in the machine industry sector, including Taean Heavy Machine Complex, should continue to concentrate great efforts to produce power generation facilities such as large generators, transformers, boilers. Along with this, plants and enterprises in various sectors of the national economy should produce and supply plant facilities, which are included in plans, without fail.

Provinces where power plants are built should actively accelerate railway incoming line construction projects and road construction by mobilizing the masses. Properly guaranteeing builders' living conditions is an important guarantee for actively accelerating the construction of power plants.

Relevant economic sectors, provinces, cities, and counties should thoroughly set up the rear-area supply system for builders and carry out the work of responsibly providing supplies to the rear-area, including supplementary foodstuffs. They should also properly prepare builders for winter.

Party organizations at all levels should continue to explain and propagate among party members and workers the great leader Comrade Kim Il-song's teaching and party's intent of actively accelerating construction of power plants. In particular, party organizations in the construction sector should properly carry out this work to lead all functionaries, builders, and soldiers of the People's Army to perform brilliant labor exploits in their assigned tasks with infinite loyalty to the party and leader.

Let us all unanimously rise up in active acceleration of the construction of power plants, uphold the party's intent, and, thus, more smoothly meet the constantly increasing demands of the national economy for electric power.

Light Industrial Revolution Policy Highlighted

SK1706114492 Pyongyang Korean Central Broadcasting Network in Korean 0011 GMT 9 Jun 92

[NODONG SINMUN 9 June editorial: "Let Us Increase the Production of Consumer Goods by Thoroughly Implementing the Party's Light Industrial Revolution Policy"]

[Text] An important part of our major efforts to effect an upsurge in socialist economic construction is to effect a significant upturn in producing consumer goods by thoroughly implementing the party's light industrial revolution policy. We do this by upholding the party's militant call and by vigorously staging the battle of loyalty.

The dear leader Comrade Kim Chong-il has indicated: Solving the people's consumer goods problem quickly in conformity with the aspirations and demands of the popular masses is the plan and intent of the party, which introduced the light industrial revolution policy.

Our party firmly and resolutely intends to achieve very soon a decisive upturn in the production of consumer goods by

means of a light industrial revolution. Setting a higher goal based on the achievements already attained in light industrial revolution, our party demands that the entire party and country and all of the people be mobilized to vigorously carry out the light industrial revolution.

As long as we have the boundless might of the popular masses, who are firmly united around the party and the leader under their wise leadership, and a dynamic self-reliant national economy, we can successfully and quickly fulfill the goal our party wants to attain through the light industrial revolution. In addition, our stores will overflow with various useful goods.

Thus, the superiority of our country's socialist system, in which the chuche idea is embodied, can be clearly displayed in all sectors of social life, and a more favorable phase can be opened in the struggle to hasten national reunification.

Because of this, thoroughly implementing the party's light industrial revolution policy is important work that all functionaries and working people in the light industry sector and all other sectors of the people's economy should responsibly undertake.

All functionaries and working people in all sectors and units of the people's economy, including the light industry sector, should be mobilized for the struggle to implement the party's light industrial policy by faithfully cherishing in their hearts the slogan "What the party decides, we will do."

What is most important here is that all functionaries and working people vigorously and unconditionally struggle in a spirit of absoluteness for the party's policy.

The entire party, whole country, and all of the people should throw themselves vigorously into thoroughly carrying out the light industrial revolution. This is an important demand of our party now.

Our functionaries and working people are assigned to the responsible work of thoroughly implementing the party's light industrial policy based on the principle of absoluteness and unconditionality .

All functionaries and the working people should display prominently the spirit of absoluteness and unconditionality in implementing the party's light industrial revolution policy with a great sense of responsibility and an attitude befitting a master.

One of the basic tasks in carrying out the light industrial revolution is to increase production of people's consumer goods greatly.

The production potential and might of our country's light industrial base are now very great. We can increase production of people's consumer goods, including fabrics and shoes, and provide them to the people in abundance even if we operate only the existing light industrial plants at full capacity and normalize production.

Production should be normalized at a higher level in the existing plants in the textile, shoe, food processing, and daily necessities industrial sectors. To this end, these sectors should cooperate closely with the relevant sectors in properly solving the raw material, materials, and power problems and have good facility management. In particular, functionaries of these sectors should properly organize and command production.

By doing this, we should ensure that many convenient, pretty, and durable people's consumer goods are produced to satisfy our people's aspirations, demands, and national sentiment and simultaneously comply with the demand for beauty and the socialist way of life.

Local industry shares greatly in the production of people's consumer goods. The light industrial sector should stabilize production at a higher level by enlisting and utilizing the local reserves and potentials to the maximum.

To this end, the local industrial sectors, provinces, municipalities, and counties should operate the existing small and medium-sized chemical plants properly in order to increase production of various chemical materials. They should also extract massive amounts of local raw materials, such as wild fruits and vegetables, conducting a mass-oriented campaign, while properly distributing crops and machine management at bases that cultivate raw materials.

The local communities should organize the procurement and earning of foreign currency to quickly supply the materials necessary for the normalization of production at local industries.

The campaign for the production of the 13 August people's consumer goods is being conducted with great success in carrying out the light industrial revolution.

The central industrial enterprises should increase the number of plants, workplaces, workteams for the production of daily necessities and produce a greater variety of quality people's consumer goods through the positive use of leftovers and by-products available from production processes.

Urban and rural communities should organize in various forms more housewife workteams and part-time job teams composed of dependents of families and the old and weak according to the needs of the situation. They should also produce massive amounts of foodstuffs and daily miscellaneous goods by exploring and mobilizing industrial by-products, agricultural local products, natural raw materials, and cultivation raw materials to the maximum.

Effecting an upturn in the chemical industry is a precondition for light industry development. The chemical industrial sector should provide the existing chemical plants with a satisfactory amount of raw materials and facilities. Maintenance and repairs should be done in a timely manner to normalize at a higher level the production of the light industrial raw materials, including chemical fibers and plastics. In particular, it should

concentrate on the 8 February Vinalon Complex and the Sinhung Chemical Complex in order to decisively increase the production of chemical products, including vinalon and vinyl chloride.

Although various sectors of the national economy are linked with each other, the light industry, which is a processing industry, is most closely linked with other sectors.

All sectors of the national economy, including the power, coal, metal, and machine industries, should modernize the plants for the production of electricity, coal, cold-rolled sheets, and white iron plates, as well as light industrial plants needed for the normalization of production, and responsibly produce and supply the machine facilities and electronic automation elements required to increase their capacity.

The railway transport sector should immediately transport the necessary fuel, raw materials, facilities, and manufactured goods to the light industrial plants and other areas of consumption.

The trade sector should effectively complete the organizational work in a timely manner in order to solve the problem of the light industrial raw materials and equipment that we cannot produce or produce in insufficient amounts, so that it can facilitate consumer goods production.

The relevant departments of the committee of the State Administration Council and the central industrial enterprises should modernize light industrial plants and supply the facilities, spare parts, and raw materials necessary for the normalization of the production.

Economic organization should be effective. The departments of the committee of the State Administration Council should quickly work out the organizational measures for solving with priority the problems arising in carrying out the light industry revolution.

In particular, the functionaries in the planning organizations should correctly work out plans for the raw materials and facilities, interrelate them with precision, and make efforts to fulfill them unconditionally.

Along with this, functionaries in the light industry sector should correctly carry out the production organization and command work, including planning, supplying facilities, labor allocation, and equipment management in order to normalize production at a higher level.

Strengthening the party-oriented guidance for the light industrial sector is a basic guarantee for effecting a new upturn in the implementation of the party's light industrial revolutionary policy.

In conformity with the demand of reality, party organizations at all levels should strengthen the organizational and political work to encourage all party members and working people and to thoroughly mobilize their abundant might and creative wisdom into the struggle for implementating the party's light industrial revolutionary policy.

In particular, functionaries should organize and command production with high revolution-mindedness, party-mindedness, working class-mindedness, and people-mindedness.

Functionaries, party members, and working people of various sectors, including the light industry sector, should vigorously carry out the light industrial revolution by upholding the party's intent so that they effect a great upturn in the production of people's consumer goods in the shortest time.

South Korea

Yi Sang-ok Says Inspection Basis for Nuclear Aid

SK1906045192 Seoul YONHAP in English
0430 GMT 19 Jun 92

[Text] Seoul, June 19 (OANA-YONHAP)—North Korea would have to accept inter-Korean nuclear inspection before South Korea or any other nation could give it nuclear-related technology, South Korean foreign minister Yi Sang-ok said Friday.

Inter-Korean relations would not make substantial progress without mutual nuclear inspection, he added.

"There is no change in South Korea's nuclear policy toward North Korea," the foreign minister told a news conference.

"Pyongyang's acceptance of ad hoc inspection by the International Atomic Energy Agency (IAEA) is positive, but it must accept inter-Korean inspection as well in order to completely dispel the global suspicion and concern about its nuclear arms development," he said.

On reports that North Korea wants nuclear technology for safer and efficient facilities, Yi said inter-Korean inspection was a condition to any such tranfer.

"I repeat that North Korea must accept both the IAEA and inter-Korean mutual inspections to dispel world's suspicion about its nuclear arms development before South Korea can consider any cooperation with North Korea in nuclear areas," he said.

He strongly suggested Seoul's opposition to any other country or the IAEA giving the technology by saying that "we plan to negotiate with other nations on this issue."

Commenting on the IAEA Board of Governors' meeting this week in Vienna, Yi said there were three points worth noting.

"The board's chairman said that North Korea must accept the inter-Korean inspection, instructed the IAEA director-general to follow up on the progress of nuclear inspection on North Korea, and that 22 out of 35 Board members supported South Korea's demand for inter-Korean inspection," Yi said.

"This lays the ground for continued discussion of North Korea's nuclear problem at the next IAEA Board meeting in September," he said. "We will closely watch what comes out of future IAEA's ad hoc and routine inspection on North Korea and set up countermeasures accordingly."

The consensus of the IAEA conference was that suspicion against North Korea had not been allayed.

There are still serious questions about North Korea possibly hiding plutonium it has already manufactured and its continued construction of a radiochemical laboratory that the IAEA believes could be used for large-scale reprocessing.

On the connection between the nuclear controversy and progress in inter-Korean relations, Yi said there would be no progress until the controversy was settled.

"Committee, subcommittee and other meetings will continue in line with the inter-Korean agreement on reconciliation, nonaggression and exchanges and cooperation," he said.

"But relations will not advance in any substance until there is a clear indication to solving the nuclear problem," Yi said.

The government would formally assess the IAEA Board meeting and propose a date for the next meeting of the Joint Nuclear Control Commission within this month, he said.

A relatively new issue raised at the board meeting was the safety of North Korea's nuclear facilities, the foreign minister pointed out.

North Korea signed the IAEA Convention on Assistance in Case of Nuclear Accident or Radiological Emergency in September 1986 but has yet to ratify it.

"We urge Pyongyang to ratify it as soon as possible and receive inspection on facility safety," Yi said.

Seoul Considering Excluding Bases

SK1906043092 Seoul YONHAP in English 0417 GMT 19 Jun 92

[Text] Seoul, June 19 (OANA-YONHAP)—South Korea is considering excluding challenge inspection of military facilities from the inter-Korean nuclear inspection regime, sources here said Friday.

Seoul plans to table a revised proposal at the next meeting of the Joint Nuclear Control Commission (JNCC) later this month that omits military installations as subjects of challenge inspection, according to the sources.

Challenge inspection would force open any facility in South or North Korea suspected of harboring nuclear materials or installations on 24-hour notice.

Inspection of military facilities is the lynchpin of the JNCC negotiations, and North Korea refuses to accept it.

Seoul will not accept Pyongyang's demand for a separate protocol on making the Korean peninsula a nuclear-free zone and continue to insist on challenge inspection, one source said.

"But military inspection could be excluded from subjects of challenge inspection," he said.

Negotiator Says North Needs Inspections

SK1906060992 Seoul THE KOREA HERALD in English 19 Jun 92 pp 1, 11

[By staff reporter Kim Hye-won]

[Text] North Korea cannot avoid inter-Korean nuclear inspections if it is to clear international suspicion about its nuclear effort, said Kong No-myong, the chief South Korean negotiator in inter-Korean talks on bilateral nuclear inspections.

If the North Koreans have no intention to go nuclear or have already given up their nuclear program as some people may contend, they should show it in deed, he said.

"Let North Korea show us the truth. We don't have to draw any hasty conclusions at this moment. We can't give the north a clean bill of health without confirming the truth with our own eyes when other countries like the United States and Japan are delaying relations because of the nuclear issue," Kong told THE KOREA HERALD yesterday.

He called for a political decision from the North Korean leadership to settle the difficult issue. "North Koreans are now expected to make a choice—to keep trying to obtain security by possessing one or two dirty atomic bombs or give them up and instead, improve their relations with the Western world for a better life," said the veteran diplomat.

Kong said South Korea will place emphasis on working out regulations for "effective" bilateral inspections in the forthcoming negotiations though the process may take time.

Seoul is expected to propose to the North early next week that the sixth JNCC [Joint Nuclear Control Commission] session be held around the end of this month. The North earlier proposed that the meeting be held June 16.

Kong, however, indicated that South Korea could drop its demand that the inspection rules specifically mention "military sites" for special inspections.

"All we need is see the suspected sites, whether they are called military or civilian. There should be no sanctuary when we carry out bilateral inspections," said the former ambassador to Russia.

He said at least visual inspections should be allowed for military facilities.

Kong said the South may also agree to modify its position that "challenge inspections" should be carried out with 24-hour notice because of the physical difficulties in receiving inspections within such a short span of time. Longer notice can be given, he said.

But, he said, "challenge inspections" are indispensable for institutionalizing effective bilateral inspections between the two Koreas.

South and North Korea failed to produce inspection guidelines by the fifth commission session May 27, mainly differing over inspection of military sites and challenge inspections on short notice.

They agreed on bilateral inspections for nuclear verification in the Joint Declaration on Denuclearization of the Korean Peninsula signed last December and decided to draw up the regulations by the end of May for actual inspections in mid-June.

The deadline had been apparently affected by the U.S. officials' repeated warnings that North Korea might be ready to produce atomic weapons as early as June.

Kong admitted that the deadline has become meaningless now.

The ad-hoc inspections of North Korea by the International Atomic Energy Agency (IAEA) May 25-June 6 have confirmed traces of North Koreans' efforts to develop nuclear weapons, whether they have been suspended or not, Kong said.

"Nobody now believes what Kim Il-song had repeatedly said—that North Korea has neither the ability to produce atomic bombs nor the intention," he said.

He said the IAEA's preliminary inspections still left several fundamental questions unanswered. They include where the North Koreans obtained the reported 'tiny' amount of plutonium and whether that amount is all the North Koreans really have.

Hans Blix, IAEA's director general, said the construction of the "radiochemical laboratory" in Yongbyon, North Korea, which he said corresponds to a nuclear reprocessing plant in the Western world, had been seemingly suspended, with 40 percent of the inside and 80 percent of the external building completed.

But the IAEA has not found out why North Korea suspended the construction, he said.

Suspicion also emerges over the sudden willingness of the North Koreans to allow international inspections of the Yongbyon nuclear facilities, which they had refused for over six years, Kong said. The North Koreans even offered to show any facilities that the IAEA wished to see.

"We can make two different assumptions from their new attitude. They might really have stopped construction after giving up their nuclear program or they are hiding another reprocessing plant.

"The possibility that North Korea might have built another pilot reprocessing plant underground cannot be totally ruled out. Experts in this field say construction of a reprocessing plant underground is possible although it is technically difficult to build a reactor underground," he said.

He said the IAEA will soon dispatch another ad-hoc inspection team which visited North Korea May 25-June 6 did not include such specialists.

The diplomat said the southern side will again bring the issue of the reprocessing plant to the next JNCC session.

The South Korean Foreign Ministry, in a statement issued by an unidentified senior official, demanded a halt to the construction of the reprocessing plant after Blix reported on his North Korean trip to IAEA board members early this month. Kong said the South may call for dismantling the facility when necessary.

He rejected as "irrelevant at the moment" the North Korean offer to give up its reprocessing plant in return for Western help in building light water reactors.

The North Koreans, however, have never made such an offer to South Korea, he said. They only spoke about it with IAEA Director General Hans Blix in Pyongyang last month and with U.S. diplomats in Beijing later.

Kong cautioned against a chauvinistic view of North Korean nuclear capability among some South Koreans.

"I am much concerned when I hear some people saying that North Korean nuclear reprocessing plants, if these are any, are ours after all and therefore, not so bad. We don't need to have reprocessing plants even from an economic view," he said.

Joint Military Committee Holds Talks

SK1906023992 Seoul KBS-1 Radio Network in Korean 0200 GMT 19 Jun 92

[Text] The fifth round of the South-North Military Committee was held at 1000 this morning at Tongilgak, the North side's area of Panmunjom.

At today's meeting, chairman of our side Pak Yong-ok expressed in his keynote speech concern about the North side's refusal to attend the Military Armistice Commission [MAC] meeting proposed to the North side by the UN Forces Command. The meeting was arranged to protest the infiltration by armed North Korean troops last month, the postponement of South-North mutual nuclear inspection as well as to once again urge the North side to respond to the proposal for a MAC meeting at an early date.

At today's meeting, the two sides discussed ways of preventing armed clashes, settling feuds by peaceful means, and the installation of direct military telephone lines focusing on revised proposals that have already

been put forward by the South and North regarding an annexed agreement on nonaggression.

Fails To Agree on Auxiliary Pact

SK1906095692 Seoul YONHAP in English 0934 GMT 19 Jun 92

[Text] Panmunjom, June 19 (YONHAP)—The fifth South-North Military Commission meeting was held here Friday but the two sides failed to iron out differences over a proposed supplementary agreement in the area of non-aggression.

At the closed-door meeting held at Tongilgak in the northern sector of the truce village, the South stressed that a supplementary agreement should envision concrete measures to prevent inadvertent clashes or their escalation once they occurred.

The North, however, insisted that the suggested agreement should be declarative in nature and aimed only at elucidating the non-aggression-related clauses of the basic South-North agreement.

Meanwhile, Pak Yong-ok, the South's chairman of the commission, said to the North that the armed infiltration committed by the North last month across the Military Demarcation Line was an express violation of the military armistice agreement and the basic South-North agreement.

He asked the North to take measures to prevent the recurrence of similar infiltration and agree early to determine the truth of the infiltration through the military armistice agreement.

Pak noted that the North's construction of nuclear reprocessing facilities was made clear through the recent inspection by the International Atomic Energy Agency (IAEA).

"It is an act of violating the South-North non-nuclearization declaration that the North is building reprocessing facilities and deliberately delaying the preparation of rules on inter-Korean nuclear inspections," he said.

In response, the North repeated their assertion that the infiltration had nothing to do with them, and that "the South and the United States are waging a second nuclear fuss."

The two sides decided to hold the sixth meeting of the Military Commission at Peace House in the southern sector of Panmunjom on July 16.

Kim Chong-il Banquet for Yang Baibing Examined

SK1806070992 Seoul CHOSON ILBO in Korean 18 Jun 92 p 28

[Article by To Chun-ho, chief of North Korean Affairs Department, from "Reunification Road" column]

[Text] North Korea's Central Broadcasting Committee recently reported that Kim Chong-il for the first time arranged a banquet in honor of a high-ranking foreign visitor. On 10 June, Kim hosted a banquet in honor of Yang Baibing, secretary general of the CPC Central Military Commission and director of the General Political Department of the Chinese People's Liberation Army, who was visiting Pyongyang. At the banquet were O Chin-u, top leader of the North Korean Army; Kye Ung-tae and Kim Yong-sun, party secretaries; and other people. The Central Broadcasting Committee reported the "banquet was held in a warm atmosphere overflowing with a feeling of goodwill." This banquet hints at many things.

Kim has taken one step further in his succession to power. Previously, Kim Il-song had hosted all the banquets for high-ranking foreign visitors; Kim Chong-il rarely attended banquets his father hosted.

Kim Chong-il's first confirmed presence at a banquet hosted by his father was at a banquet Kim Il-song hosted for foreign delegates on his 80th birthday.

Kim Chong-il's hosting of a banquet for a high-ranking foreign visitor on behalf of his father is closely related to the enhancement of Kim's external position. Kim Chong-il does not have an impressive image abroad, and his hosting the banquet was intended to show the outside world he represents North Korea.

His choice of Yang Baibing, who holds real power in the Chinese Army, as guest at the banquet at which he makes his first debut reveals his consideration of his special ties with China and his strategy to retain power after he succeeds his father. World countries, including those in the socialist bloc, regard father-son power successions as anachronistic. China, however, understands the succession.

Kim Chong-il may have considered the possibility that if he deepens his relationship with Yang—half brother of Chinese President Yang Shangkun and regarded as one of the Chinese leaders of the next generation—Yang would become his patron. Although Kim is reluctant to meet with people, he has deep ties with China. During the Korean war, he was separated from his father and took refuge in Jilin Province, China. When young, he often visited the Chinese Embassy in Pyongyang to watch the Chinese martial arts films he enjoys so much. China is the only foreign country he has visited.

Kim Chong-il was inaugurated as supreme commander of the North Korean Army at the end of last year and elected marshal last April. During a military parade on 25 April to celebrate the 60th anniversary of the People's Army, he offered congratulatory greetings to the soldiers on his father's behalf for the first time.

He has now been preparing to take his father's place in foreign affairs as well. Great attention is drawn to how he will lead North Korea, which is now more isolated internationally than ever.

Yi Sang-ok Discusses PKO With Japanese Envoy

SK1906053792 Seoul YONHAP in English 0440 GMT 19 Jun 92

[Text] Seoul, June 19 (OANA-YONHAP)—Japan must remember South Korea's sensitive reaction to the passage of the Peacekeeping Operations (PKO) bill and act with prudence in dispatching its troops overseas, Foreign Minister Yi Sang-ok told Japanese Ambassador Kenichi Yanagi on Friday.

Seoul had noted Tokyo's intention to concentrate on peacekeeping missions and not seek to become a military power, he told the ambassador.

Yanagi visited the Foreign Ministry to explain the PKO bill, passed by the Japanese Diet this week.

The ambassador said the bill did not include participation in multinational military coalitions such as the one formed during the Gulf war, and that any actual dispatch of soldiers required approval by the Diet.

Yi recalled Seoul's concern as a nation subjected to 35 years of Japanese colonial rule and urged Tokyo's prudence in handling the PKO issue.

The foreign minister asked that Japan take full note of Korea's sensitive reaction to the passage of the bill and exercise caution when it sends soldiers abroad.

Plans for 1995 Gubernatorial Elections Reaffirmed

SK1906054792 Seoul YONHAP in English 0525 GMT 19 Jun 92

[Text] Seoul, June 19 (YONHAP)—President No Tae-u reaffirmed Friday that the mayoral and gubernatorial elections would be held in 1995 despite the opposition parties' demand for the polls this year.

"The government decided to postpone the elections after checking the public opinion through hearings and surveys. We should remember that the people do not want to see any more confusion over this issue," No told Kim Yong-sam, the ruling Democratic Liberal Party's [DLP] candidate to succeed him as president, in their weekly meeting Friday.

Opening of the 14th National Assembly is delayed as opposition lawmakers refuse to attend it unless the government and the DLP withdraw the decision to put off the elections, which should be held this year under the current law.

The chief executive said the opposition lawmakers should normalize the National Assembly and exchange opinions on state affairs there.

Commenting on North Korea's nuclear program, he said the government was trying its best in getting the North to accept inter-Korean inspections of nuclear facilities on top of International Atomic Energy Agency's inspections, and that the North would comply after all.

No said the government should explain the issue to the opposition parties, because it was important for all politicians to have proper knowledge about it.

UNP Demands Elections Be Held

SK1906062392 Seoul THE KOREA TIMES SUPPLEMENT in English 19 Jun 92 p 2

[Text] The Unification National Party [UNP] with 32 House seats strongly demands the election of mayors and provincial governors as so stipulated by the law in its dialogue with the ruling party on the convocation of the inaugural session of the just-formed 14th National Assembly.

Under the law, the mayoral and gubernatorial elections are to be held no later than June 30.

As things stand if the elections could not be held on time as set by the law, the UNP is insisting that the government should make a promise or other forms of guarantees that the elections be held by the end of this year.

The ruling party has unilaterally decided to put off the elections until after 1995, citing what it claims are the insurmountable side effects that would surely accompany the elections.

The UNP is out to spotlight the absurdity of the ruling camp's reasoning for the delay.

The party said, "Our position is to see the elections are held to in line with the law. The law should be upheld. Otherwise, there is no meaning to the law if it is not observed. How in the world can the ruling camp bend the law just for the benefit of the administration."

The UNP is also bent on pressing the ruling party to concede the chairmanship of at least two standing committees in the National Assembly.

Floor leader Kim Chong-nam said regarding party strategy that the local elections should be held no later than the end of this year if they are impossible to hold by the end of this month as provided for by the law.

However, he said the UNP will not link the issue to the matter of opening the inaugural session of the Assembly. Also chairmanship of at least two standing committees should be given to the UNP. "We will not, however, put up this as a condition for opening the inaugural session," whip Kim said.

Opening the National Assembly is a kind of obligation lawmakers have to the people, he said. And therefore, the UNP does not feel like finding fault with the ruling camp on other issues as far as the opening of the Assembly is concerned, he added.

The House should be left open to discuss a stack of issues that need immediate solutions in the interests of the people, he said. However, he added, in a strong tone that the UNP will never cooperate with the ruling camp if it errs. But the House should be opened and be left open

because it is the most powerful forum for the discussion of national issues, Kim said. Kim was elected as an independent in Samchok, Kangwon-to. But he joined the UNP and was tapped as the floor leader of the rising party, the UNP.

Candidate Cancels Speech Due to Protests

SK1806002792 Seoul THE KOREA TIMES in English 18 Jun 92 p 2

[From the "Press Pocket" column: "Harassment"]

[Text] Unification National Party [UNP] chairman Chong Chu-yong was forced to cancel his plan to deliver a speech to a women's association yesterday morning when a group of women who introduced themselves as widows of Korean War victims protested his appearance.

As soon as he entered the lobby of Hotel Lotte, he was followed by about 10 women shouting "Down with a Red."

They occupied several tables and disrupted his speech to the Korean National Council of Women, a federation of women's fraternities, in protest of his recent remarks, which they billed as pro-communist.

They did not take Chong by surprise. After returning to his UNP office, he murmured, "I think I saw those women in front of my building last week (when they waged a demonstration there)."

But UNP officials worry if conservative rightists may try to hinder Chong's campaign.

Unification National Party Issues Platform

SK1906061092 Seoul THE KOREA HERALD SUPPLEMENT in English 19 Jun 92 p 4

[Platform of the Unification National Party (UNP)]

[Text]**Platform**

As our United People's Party [Unification National Party] defines the nation's across-the-board situation in politics, economy and society as a whole crisis, we are confident to cope with it, to recover national economy and awaken people's morality. In a bid to meet the requirements of the new era, our party stands in the vanguard of consolidating national strength to realize unification, as well as to enhancing people's welfare.

Proclaiming that the United People's Party is middle-on-the-road national party based liberal democracy, we give our manifesto as follows:

1. We innovate the administration of national affairs in a fair, progressive way on the basis of liberal democracy.

2. We lead the van in the national reunification by building up reliable economic transactions of complementality between North and South Korea and recovering national homogeneity.

3. We sincerely carry out our role in the international society based on the spirits on the U.N. Charter and positively contribute to world peace.

4. We pursue sound economic growth by developing the system of free market economy and realize economic justice by enhancing national welfare.

5. We accomplish a welfare society of stable livelihood which abides by legal order and respects diligence and honesty.

6. We prepare for the 21st century by bringing up the community consciousness of citizens through the education to enhance morality and responsibility and strengthening scientific and technical education.

7. We aggressively contribute to national development by expanding the opportunities for women's social participation through the settlement of equality-based social structure.

8. We upgrade the quality of people's lives by preserving nature at the root of human life and building up an amicable life environment.

Basic policies Politics: from closed politics to open politics

1. We remove the authoritarian, undemocratic factors of the political world and prevent political parties from being privatized and regionalized.

2. We realize clean politics by abolishing the abuse of party interests and cutting off the adhesion of politics and economics.

3. We create a productive political climate through realization of responsible politics and creation of constructive policies.

4. We do away with the judicial interference from the outside and maintain the independence in personnel administration in order to strictly ensure the independence of the judicial power.

5. We establish fundamental measures for public officials to go politically independent and the democratic image of public servants to serve people by abolishing the evil of bureaucratism.

6. We transfer the authority of the central government largely to reinvigorate the local self-government system and increase the financial independence ratio of provincial governments.

7. We settle down a clean culture of election through strict election system and right practice of sovereignty. Unification: to oppose the abuse of inter-Korean relations for the maintenance of political power

1. As for inter-Korean exchanges, we place stress on economic transactions of complementality to upgrade the national economic capability.

2. We make diverse efforts to build up an ambience for reunification, focusing on the gradual improvement of bilateral relations and recovery of national homogeneity.

3. We exert aggressive efforts for the reunification of 70 million Koreans.

4. We strictly abolish the misuse of South and North Korean relations with a view to retaining political power. Diplomacy and security: to secure Koreans' rights for economic livelihood

1. We simultaneously carry out the diplomacy of national self-respect and total defense in a positive manner.

2. We pursue positive and practical diplomacy based on national interests, doing away with the wasteful diplomacy of bravado.

3. We focus on economic diplomacy in preparation for the age of multipolarized liberalization, strengthening friendlier relations with allied nations.

4. We concentrate diplomatic capability on building up an advantageous international environment for unification in accordance with the changes of the Korean Peninsula.

5. We make an aggressive support for people's overseas advancement, while trying to protect the rights of overseas Koreans and to upgrade their position.

6. We achieve the political independence of the military without fail, thus making it do the mission that it should be.

7. We achieve the progressive arms reduction according to the change of security environments, bringing about the modernization of military equipment and elite, state-of-the art army force.

8. Considering the improvement of South-North Korean relations, we establish the structure of military force based on the new military strategies. Economy: to bring about national economy with the least government's involvement

1. We expand the economy led by the private sector centering around the free market principle, minimizing the government's interference with enterprises.

2. We lower the interest rate to the same level as that of competitive countries by boldly innovating the distorted monetary policy that "the growing total money supply has only to arouse price hike," and expanding the money supply proper to object economic management.

3. We immediately conduct real-name financial transaction system and absorb the underground economy into the institutional system in order to discontinue the union of politics and economics and improve the quality of national economy.

4. We facilitate the practical privatization, far from the seeming one by financial institutions against the legal order of democratic constitutional country, by abolishing loan management system and making the personnel management right of financial institutions independent.

5. We correct the distorted fund allocation caused by state-governed financing through the autonomous financial management.

6. We bring about a balanced income distribution by protecting the livelihood of the people through price stabilization and expanding the employment opportunities of the lower-income class.

7. We reduce the tax burden of the low-income class, make the amount deducted from earned income by finding out the tax source for unearned and unfair income through the readjustment of taxation system, while preventing the abuse of taxation and innovating the tax administration.

8. We systematically block the origin of unearned income source and real estate speculation by making up for the concept on the public land ownership rationally with the land ownership right of individuals to be guaranteed and by establishing real-name land transaction system practically.

9. While positively coping with rapidly changing international trade environment to minimize trade frictions, we convert balance of payment deficit into surplus in the shortest period through expansion of supply in trade finance, lowering of interest rates, realization of foreign exchange rate, simplification of tariff administration, creative innovation of trade policies, expansion of technical investment, cultivation of specialized manpower, maximization of exports by upgrading international competitiveness of industries and promoting frugality and savings.

10. We focus on bringing up small and medium companies as the cornerstone of national economy through diverse supports like the simplification of procedures for business start-ups and fund support.

11. We expand such infrastructures subject to social overhead capital as ports and roads in a shortest time through the government's ambitious investment and the participation of private sector.

12. We build up a culture of cooperation between labor and management toward the fair distribution of income earned in order to settle down the industrial peace.

13. We strongly pursue projects of redevelopment, expansion of housing site using land of public ownership and expansion of housing purchasing funds in order to sufficiently supply low-priced housing to workers or the lowest-income.

14. We promote the income of residents in agricultural and fishing communities by improving the distribution structure of agricultural and fishing products, while improving the service industry toward the economic

restructuring and enhancing the competitiveness through such system improvement.

15. While aggressively opposing the opening of rice market without, ensuring the right to live, we double the income of agricultural community by offering low-interest funds to the devastated agricultural community, developing mechanized agricultural technologies and increasing non-agricultural income sources.

16. We positively pursue the development measures for the fishing community like the modernization of port facilities and replacement of obsolete ships and equipment using long-term low-interest fund.

17. We reduce the discriminatory loss of famers by reexamining the limited practice of their property rights in a relative disadvantage.

18. We divert the government businesses for public relations purpose and restrain the administrative expenditures not in urgent demand. We realize the management rationalization and the gradual privatization of the national and the public corporations.

19. We map out a long-term pian to secure stable energy, promote the development of alternative energy resources and seek for rationalized measures of energy saving.

20. We solve the traffic problem in large cities by procuring financial sources with innovative creativity and develop the traffic network of land, sea and air efficiently. Community, culture and welfare: the society of human respect helping each other

1. We positively stage the moral restoration movement for crime-free society, pursuing scientific crime-preventing countermeasures, and seek the revitalization and stabilization of provincial economy to decrease the dysfunction of exploding urban population.

2. We rely on the religious role to raise the moral standard of the Korean people and stimulate the good traditional customs on the basis of elders' respect.

3. We create the culture of wise people by inheriting the traditional culture and affirmatively accepting the overseas culture.

4. We promptly resolve traffic problems with creativity.

5. We make it possible for the houseless to have their own houses by enlarging the housing supply and the support of housing funds, and innovatively improve the national residential environment through housing price stabilization.

6. We increase the national medical benefits by improving the present medical service system.

7. We get rid of the hunger-stricken class by renovating the food policies by saving government-owned rice for undernourished children and the extremely poor.

8. We expand the welfare policies for elders, extend the retirement age in preparation for the era of advanced age and provide all the retired with occupations.

9. We provide the working opportunity and enrich the livelihood of the handicapped by increasing financial support. Education and science: to bring up the just and the progressive

1. We improve the education of school entrance examination to that of whole man and to direct a society to make much of one's ability, not academic clique.

2. We commit the college entrance examination to the college itself.

3. We raise the quality of national education by expanding the compulsory education.

4. We bring up progressive, sound spirits of citizens by expanding educational and cultural facilities for the youth in each province and building up bright environment for them. Women: the female participation in the national growth and development

1. We expand the opportunity for women to positively participate in the political, economic and social affairs.

2. We make up the equality-based working environment for men and women who can support themselves as those of economic independence by reinforcing the Equal Employment Act and innovating the day-care system.

Brunei, Malaysia & Singapore

Malaysia

Japan Urged To Keep Forces Within UN Bounds

OW1806075292 Tokyo KYODO in English 0725 GMT 18 Jun 92

[Text] Kuala Lumpur, June 18 KYODO—Malaysia urged Japan on Thursday not to become a military power again and to keep any dispatches of peacekeeping troop strictly within U.N. missions.

Foreign Minister Abdullah Ahmad Badawi said he believes Japan no longer has military aspirations because of its economic success.

But, he said, "The memories of World War II are very fresh in our minds and we don't want Japan to emerge as a military power with possible military adventures."

Japan's parliament Monday enacted a law allowing the country's Self-Defense Forces to participate in U.N. peacekeeping operations, paving the way for the first dispatch of Japanese troops abroad since 1945.

Malaysia and most other Southeast Asian nations were invaded and occupied in the war by Japanese Imperial Army troops, whose rule evokes bitter memories among older generations.

Commenting on the new law, Abdullah said it is logical for Japan to play a role in global peacekeeping efforts.

"Keeping peace has its own [word indistinct] risk and hazard, and Japan must be able to take all these," he said.

Singapore

Premier Goh Outlines Party's Political Program

BK1806102192 Singapore THE STRAITS TIMES in English 15 Jun 92 p 24

["Text" of Prime Minister Goh Chok Tong's speech to People's Action Party activists on 24 May in Singapore]

[Text] Our political programme has three main thrusts: First, strengthening the bond between the PAP [People's Action Party] Government and the people; second, promoting personal responsibility within a market framework; and third, increasing the assets of Singaporeans.

Some voters are seized with an unhealthy "serve-me-or-else" attitude. Such a voter complains easily and loudly over small issues. He often proclaims his support for the PAP, for the Government, for the MP, but threatens them in the same breath to get things done for him.

He is demanding, insisting that the law must make an exception of his case. He fails or refuses to see that he is part of a larger society and that he must live within the laws and norms that regulate the smooth functioning of that society.

Though such people are in the minority, my concern is that if the "serve-me-or-else" attitude spreads, it will affect our political stability. It does not matter whether it is the PAP Government or another government in power. So long as the government does not make an exception of his case he is going to vote the government out.

The good the government has done for him is forgotten, and the pain caused by a single policy or administrative measure is remembered. If more and more voters behave this way, there will be a musical chair government because every policy and administrative measure must affect somebody.

The people and the government are interdependent. There is a symbiotic bond between them: As a Chinese idiom says, *chun wang chi han*—"If the lips are gone, the teeth will feel the cold."

If this bond is strong, the country will do well. When the government improves the lives of the people and the people in turn support it, that will motivate the leaders to do more for the people to improve their lives.

If this bond is weak, the country will suffer. The government cares more for its members' interests and the citizens in turn distrust the government.

In Singapore, a weak people-government bond will also affect the process of recruiting good people for government. If such people are not voted in because the majority of the people are affected with the "serve-me-or-else" attitude, we would end up with lesser men in charge of Singapore. Singapore cannot afford to have a weak Cabinet.

The bond which the PAP Government has forged with the people is a virtuous circle. But when voters increasingly vote against the Government out of self-serving narrow interests, they hurt this relationship. They may turn the virtuous circle into a vicious circle.

Once it becomes a vicious circle, the country will roll downhill. The voters will ignore the larger issues behind government policies and objectives. Problems will fail to get solved.

Can casting protest votes against the PAP solve our national problems? I do not think so.

Let me illustrate with the example of our traffic problem. Now we have the vehicle quota system to control the growth of our vehicle population. You cast a protest vote against the Government because COE prices have reached $30,000.

How does that solve the traffic problem? Even if the Government is voted out and the COE (Certificate of Entitlement) system is scrapped, the problem remains. Cars, motorcycles and trucks will jam the roads. You can

own them because they are cheap, but you would not have jam-free roads to drive them.

If there is a problem, the correct thing to do is to analyse it, and try to reach a consensus on how to solve it. Once a consensus is reached, accept the restraint that comes along with the solution.

We had long public debates on how to control our traffic problem and finally chose COEs as the solution. We should not go back to square one just because the high demand for cars is pushing up COE prices.

Instead, let us refine the system, and increase our road capacity so that we can increase the vehicle quotas and moderate COE prices.

The bond between the people and the Government must remain strong. If we fail to bring home this message, then Singapore will be run like many other Western democracies, with frequent changes of government. I do not think frequent changes of government will do us any good.

We are not like the West. We are an Asian, multi-racial society. Moreover, we are three million people, packed into an island smaller even than Pulau Bintan.

If we had changed government every few years, there would have been uncertainty and unpredictability.

Our democracy has worked because we have combined the positive features of Western democracy with a firm no-nonsense hard-headed government.

How do we get Singaporeans to realise the importance of this bond and to nurture it? How do we counter the negative "serve-me-or-else" attitude?

No amount of exhortation will do the trick. The message has to be brought home in a direct, practical and personal way. The voter must feel that he is better off if he chooses the right party, and worse off if he votes the wrong one.

When he chooses one party against another, he must be prepared to live by the programmes of that party. And if he chooses the wrong party, the difference to his life must be marked, if not immediately, at least over one or two general elections.

Singapore is not a large country with many states. Otherwise, we can allow some states that vote in the opposition to develop on their own, like how Kuala Lumpur treats Kelantan. Singapore is a unitary state.

But with town councils, we can conceptually regard each town council as a local government. The problem is, town councils are responsible for very few functions—collection of service and conservancy charges, estate cleanliness, and cyclical repairs and maintenance. Much of the work within a constituency is still done by HDB [Housing Development Board] and government departments.

I think we should consider handing over more responsibilities to the town council. For example we can let them take over lift maintenance and emergency rescue operations. We can learn from other countries how they decentralise responsibilities to the local authorities and implement some of their ideas. Then we will be able to see even more clearly which party can do a better job and provide a better life for the people.

Furthermore, if an opposition MP is opposed to our programme, like upgrading of HDB flats, then that programme need not be applied to his particular constituency.

Ling How Doong has described our upgrading programme as a joke. So unless he changes his view, I don't see why we should plant the joke on Bukit Gombak.

For democracy to work, there must be a clear understanding that you cannot elect A and ask B to provide for you. You cannot expect the PAP to lay golden eggs for you when you are helping to weaken it. If you want more golden eggs, you must nurture and support it.

This point of view on reciprocal interests is not unique. This is what all ruling parties in democratic countries do.

By 1996, we must show that our 77 constituencies are better off than the four held by the opposition. Our town councils will have to be more efficient than theirs. Our grassroots network will have to be more effective. Our party branches and activists must be more vigorous and dedicated. Our bond with the people must be stronger.

Let me caution, however, that if an opposition MP does a good job of looking after his constituency his reputation will be enhanced. So handing over more responsibilities to town councils is double-edged. We simply have to make sure that we do a better job than the opposition.

On a national basis, we cannot deny voters in oppostion wards the benefits of national programmes like Edusave, Medifund and the HDB Upgrading Programme. We fought the general election on the basis of The Next Lap, which included these programmes. The majority of Singaporeans supported The Next Lap. So these programmes will be applied nationally.

But it is perfectly legitimate to serve the constituencies which voted for the programme first, as against another which did not.

Can you imagine how silly I would have sounded had I said that where two constituencies had equal claims on the HDB Upgrading Programme, the ward which voted against the government programme would be served first?

Our Next Lap comes as a package. You cannot choose bits and pieces of it which you like.

I know fee revision brings no joy to anyone. But our market-oriented policy has worked. Don't go for soft options. Reverse the policy to more subsidies and more welfare, we will soon find ourselves on our knees, bankrupt.

The third thrust in our political programme is to increase the asset worth of Singaporeans. Most Singaporeans

have accumulated assets. The Government will help to increase their assets. I emphasise assets because when a person has assets, his thinking changes. He will want to preserve the value of his assets and to increase it where he can. That means supporting the political, economic and social system which makes that possible.

If you visit a rental block and a purchase block in an HDB estate, you can see their different state of cleanliness. In the purchase block, the residents own their flats and have an interest to keep it clean. In the rental block, it is not theirs. It belongs to the Government, and tenants do not bother if there is graffiti on the wall.

Our programme to enhance the assets of Singaporeans will be tied to effort, performance and contribution and not according to a person's needs.

It is not an attempt to equalise wealth. It is not a social policy to distribute assets to the poor so that the gap between the rich and poor will be narrowed. It is a policy of rewarding effort.

When a person works harder, he contributes more to the economy. In return, he gains more assets. The wealth gap isn't determined by the Government. It is determined by the difference in a person's ability, performance and prudent habit. . .

It is a gap determined by the market and the people themselves. It is not wise for the Government to artificially try to close the gap.

Those countries which have tried have ended up in bankruptcy. Examples are the former communist countries in the Soviet Union and Eastern Europe. Communist countries do not believe in the individuals owning assets. Their citizens do not own the houses they live in. They do not own the land they work on. They do not own the agricultural machinery on the farm. These assets are allowed by the communes or the state.

The result for the individual is: no incentive to work, dependence on the state, no drive and initiative, envy for others who are better off.

For the country eventually, it is bankruptcy. If the former Soviet Union, a superpower, can become a super pauper with such a policy surely it must be disastrous for a little country like Singapore?

We have not made the mistake of stifling Singaporeans' desire to own assets. Rather, we have helped them along. We have successfully done so with our public housing programme.

Today, 92 percent of Singaporeans own the HDB flats they live in. We have embarked on a national programme to increase the value of their flats: through the upgrading of flats. There are other programmes, such as sale of HDB shops to sitting tenants at concessionary rates.

We may even consider sale of hawker stalls to sitting tenants also at attractive prices, if it is feasible.

Edusave will provide $200 to $300 a year for 10 years to every student. In addition, students who perform better will get more through Edusave scholarships.

Edusave scholarships will be given to the top 25 per cent of students in independent schools based on PSLE results. Edusave scholarships will also be awarded to students of other secondary schools, to the top 10 per cent of each year's cohort based on the schools' examinations.

Thus, even if a student does not go to an independent school, he can still win an Edusave scholarship. In that way, we encourage young Singaporeans to put in the effort to build up their assets at a very early age.

We are now studying a proposal to sell shares of privatised statutory boards to Singaporeans at a discount. It will be another asset-enhancement measure.

The PAP's political programme will improve the lives of Singaporeans, I have no doubt at all.

The question is whether it will increase the support of Singaporeans for the PAP and the Government. We have improved the lives of Singaporeans over the last 33 years. Yet, four constituencies have not translated that into support for the PAP.

Will our political programme strengthen the bond between the voters and the PAP Government? Will it make them realise that it is the PAP that has brought them a better life and that if they weaken the PAP, they undermine their own interests? How do we educate the voters who have the "serve-me-or-else" attitude and win them over?

Among other things, the answer depends on how we implement the programmes in The Next Lap. If Singapoeeans think that they can free-ride on PAP supporters, then of course we have not found a solution to our present problem.

If they understand that the ruling party has to win elections too and that it will do all that is democratically necessary to discourage free-riding, then they will have to decide whether they want the opposition's or the PAP's programmes.

If a constituency chooses the opposition, it means it prefers the opposition to the PAP.

We will respect the wishes of the voters and let the opposition be primarily responsible for their well-being. If they choose the PAP, we will do our utmost to serve them.

Seventy-seven constituencies have chosen the PAP. It is our duty to serve them well. We must reciprocate their support. That way we strengthen our bond with the people.

Take the case of the recent UK general election: Labour said "tax the rich and have more welfare". Conservatives campaigned on "no tax increase and more market-oriented policies".

The British voters could not vote for Labour's "more welfare" and expect no tax increases because there would be no money to pay for the welfare. It could also not support more welfare and more market-oriented policies because the two are inconsistent. They had to choose.

The country chose the Conservatives and must expect less welfare and more market-oriented policies, that is, less subsidies. Had it chosen Labour, it must expect tax increases to pay for the welfare programmes. It could not choose one element from the Conservatives and another from Labour.

Likewise, our programme comes as a package. The voter cannot pick and choose. The various measures are interlinked. There is a common thread running through them, whether it is popular policies like Edusave or unpopular ones like COEs.

This common thread is the PAP's political philosophy of getting Singaporeans to exercise their personal responsibility within a market framework. A person must be responsible for his own well-being.

Wealth is produced when people acquire skills and knowledge, and then apply them to add value to goods and services. The value they add is given back to them in the form of wages or profits. And when they save their income, they will build up their assets. This is how wealth is created and accumulated in Singapore.

Naturally, an able, hardworking person who saves will be wealthier than one who is not only less able but also a spendthrift. Our policy rewards effort and enterprise.

It makes Singaporeans personally responsible for their own welfare. If they want more and better services, they will have to work for them and pay for them.

Government welfare will only be in the form of a safety net for those who are genuinely needy through no fault of their own.

To reward personal responsibility, we try to have as low an income tax rate as possible. The rationale is this—a tax on income is a tax on skill, initiative, enterprise and productivity. So we try and keep income tax rates low in order to encourage initiative, effort and production. At the same time, everybody should pay for what he wants in order to prevent unnecessary waste as well as inflated demands for services that are cheap because of subsidies.

In simple terms, our policy is this: You keep a big proportion of what you earn. If you want a service or an item, you pay for it.

Except for essential items like health, education and housing Singaporeans should pay the full cost of the services which they want. This policy means fees will be revised when costs go up. This is the painful part of the policy.

I know that frequent cost increases are unpopular. I am sure if I tell you that from now on, all fees would be frozen, we will win the by-election and the general election with hardly any effort.

But will freezing fees and increasing subsidies be in our longer-term interest? If we do not pass on cost increases, we are in fact changing a basic policy which has made Singapore work—the policy of personal responsibility as against welfarism.

China, Vietnam and Pakistan want to learn from Singapore. The former communist countries in the disbanded Soviet Union are feverishly trying to free prices in the economies, to let them reflect market supply and demand.

China, which provides free medical service, is now trying to charge its patients. It will be a supreme irony that just when the communist countries, both former and present, are cutting down on subsidies that Singapore should increase subsidies.

Our choice really is not whether fees should be revised or not when costs go up, but whether fee increases should be frequent and small, or infrequent and big.

Do we revise fees every year following cost increases or do we hold back fee revision and adjust only once every five years after a general election?

If we do the former, there will plenty of ant bites—not very painful, but nevertheless very irritating. If we do it once in five years, the fee increases will be very high. Most will be unable to adjust because in those five years they would have spent their money on other things.

We have chosen the policy of frequent but gradual increases. It doesn't mean that we do not subsidise anything.

Health will continue to get a large subsidy. So, too, education and housing. But however large the subsidies, if costs go up, we have no choice but to adjust fees upwards. If we do not, we will soon be a welfare state.

Cambodia

Sihanouk Urges All Factions To End Clashes

BK1806122992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 18 Jun 92

["Message from His Royal Highness Prince Norodom Sihanouk to all excellencies and the prince who are members of the Supreme National Council of Cambodia—read by announcer]

[Text] Dear colleagues:

As patriots, all excellencies and prince must be in sympathy with our beloved compatriots in districts, villages, and localities in Kompong Thom, Preah Vihear, Siem Reap, and other provinces who are currently suffering miserably due to the renewed and bloody clashes of the armed forces of some Cambodian factions.

At present, tens of thousands of our beloved compatriots in the countryside have been compelled to flee from their homes due to the rampant attacks or shellings. All these refugees are facing untold misery due, on the one hand, to the loss of their meagre property and, on the other, to the lack of food and shelter, although some humanitarian organizations have tried to help.

The party of Democratic Kampuchea [PDK] has raised some problems as a pretext to justify its refusal to observe the cease- fire, obey the second phase orders by His Excellency [H.E.] Yasushi Akashi and the UNTAC [UN Transitional Authority in Cambodia], and implement some other points in the Paris agreement of 23 October 1991.

Once again, I appeal to the PDK to immediately join with the three other Cambodian factions to correctly and thoroughly implement the second phase as instructed by H.E. Yasushi Akashi and UNTAC, as well as the other points of the Paris agreement.

I would like to appeal to the armed forces of all Cambodian factions to immediately and simultaneously end their armed clashes.

It is necessary for us to seek every means to bring genuine peace to our entire Cambodian land for the sake of our beloved compatriots who have suffered miserably for over two decades.

If any party thinks some problems are still unsolved, a solution to such problems should be worked out gradually. But, please do not use those problems as a pretext to avoid implementing the second phase or some other points in the Paris agreement.

I would like to ask all excellencies and prince who are members of the SNC to comply with this request immediately and simultaneously so that our beloved compatriots can enjoy peace and security and our national reconciliation and concord can be achieved as desired.

I would like to thank all excellencies and prince in advance.

With deepest affection.

[Dated] Beijing, 18 June 1992
[Signed] Norodom Sihanouk

Hun Sen Says Khmer Rouge Seeking To Resume War

BK1906081392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 18 Jun 92

[Text] On 17 June, His Excellency [H.E.] Hun Sen, chairman of the Council of Ministers of the State of Cambodia and member of the Supreme National Council, received H.E. (Fredesman Turro Gonzalez), extraordinary and plenipotentiary ambassador of the Republic of Cuba to Cambodia. Speaking on that occasion, H.E. Hun Sen profoundly thanked Cuba for its moral and material assistance and support provided to the Cambodian people at the time when the latter were facing difficulties in the restoration of the country.

H.E. Hun Sen also told the Cuban ambassador that at present the Khmer Rouge continue to stubbornly refuse to implement the second phase of the Paris peace accord with the aim of resuming civil war, thereby dragging on the sufferings of the Cambodian people.

'Fragile Peace' Holding in Northern Areas

BK1806111092 Hong Kong AFP in English 1055 GMT 18 Jun 92

[By Jean-Claude Chapon]

[Text] Sala Visai, Cambodia, June 18 (AFP)—A fragile peace was holding in northern Cambodia Wednesday following intense fighting earlier in the week between Phnom Penh government troops and the Khmer Rouge.

However, sporadic artillery exchanges continued along parts of Route 12, which stretches from Kompong Thom in central Cambodia to Preah Vihear Province in the north and is still in good condition despite the onset of the rainy season.

The strategic highway, which was retaken by Phnom Penh troops from their Khmer Rouge rivals in the last few days, is mined for an unknown length from 10 kilometres (six miles) north of the headquarters of the Phnom Penh army's 5th division, the unit engaged in the battle.

"There were several artillery exchanges Wednesday morning and afternoon," said one officer with the U.N. Transitional Authority in Cambodia (UNTAC), which is overseeing the implementation of the Paris peace plan for the country.

The situation was calm Thursday along the length of the highway, which UNTAC military chief John Sanderson has said should be jointly administered by both rival factions, while the United Nations makes the road safe to traffic.

Phnom Penh and Khmer Rouge troops have since the beginning of the year been battling it out for control of Route 12, which runs through a semi-arid region but provides the only southern access to Preah Vihear Province bordering Thailand.

"The Khmer Rouge would like to cut supply lines to the Phnom Penh army and take control of the province," the UNTAC officer said.

According to official Cambodian sources in Kompong Thom, three government soldiers were killed and nine injured Tuesday during the U.N.-sanctioned offensive launched by Phnom Penh against the Khmer Rouge in the region.

The Khmer Rouge, the strongest militarily of the three Cambodian resistance factions, has been launching operations in the region from bases in Siem Reap Province to the west where Khmer Rouge leader Ta Mok is headquartered, the sources said.

"They move into this region in small groups but with heavy arms that they hide in the forest for later use," an UNTAC officer cited local villagers as saying.

"When all their arms are in place the fighters return—sometimes in civilian clothes—and they start their offensive," the officer added.

The Khmer Rouge is currently blocking the Cambodian peace process by refusing to participate in the second phase, which requires all factions to go U.N.-supervised sites and lay down their weapons.

All four of Cambodia's warring factions—numbering 200,000 armed troops—are required to turn in their arms to the United Nations, and 70 percent of them are to be dismissed from military service.

According to UNTAC, however, designated sites in the region of Kompong Thom have remained empty since June 13, when the second phase began.

SRV Reportedly Sends Supplies to Preah Vihear

BK1906003092 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 18 Jun 92

[Excerpt] According to a report from Preah Vihear Province, the Yuon [Vietnamese] aggressors on 14 June sent two truckloads of armaments and artillery shells and two tanks of fuel to their troops stationed in Preah Vihear Province. The report added that the truck convoy was sent by the Yuon aggressors from Phnom Penh through Route 13 via Stung Treng Province to Preah Vihear for their troops to further attack the resistance forces and raid the local people's villages. [passage omitted]

SRV Shelling in Kampot Reported

BK1606043692 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 15 Jun 92

[Text] According to recent reports from Tuk Meas District in Kampot Province:

1. On 30 May 1992, the Vietnamese aggressors ordered their troops and those of the Phnom Penh faction to fire 20 rounds of DK-82 cannon and 80-mm mortar shells into Dang Tong village, Dang Tong Commune, Tuk Meas District, Kampot Province. These shells hit the heart of the village, killing two inhabitants, seriously wounding eight, slightly wounding four, and damaging nine houses and a large quantity of crops. Many oxen, buffaloes, hogs, and fowl were also killed.

2. On 31 May 1992, troops of the Vietnamese aggressors and Phnom Penh faction fired 13 rounds of DK-82 cannon and 80-mm mortar shells into Rung Veng village, Rung Veng Commune, Tuk Meas District, Kampot Province, killing an inhabitant, seriously wounding five others—including two children and two pregnant women—burning down four houses, killing many oxen, buffaloes, and fowl, and damaging a large quantity of crops.

Our people in Tuk Meas District were very angry with the Vietnamese aggressors and the Phnom Penh faction for continuing to kill the Cambodian people. They condemned the Vietnamese aggressors and the Phnom Penh faction for continuing to violate the 23 October 1991 Paris agreement.

Our people demanded that the UN Transitional Authority in Cambodia join with the four Cambodian factions in conducting supervision so as to avoid the Vietnamese aggressors and Phnom Penh faction from violating the Paris agreement. At the same time, they demanded a supervision on the total withdrawal of all categories of Vietnamese aggressor forces from Cambodia.

Clandestine Vietnamese Presence Condemned

BK1906014492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 18 Jun 92

[Text] Our people in Kompong Cham Province call on the Supreme National Council [SNC] and UN Transitional Authority in Cambodia [UNTAC] to deploy UN troops in Kompong Cham Province in order to verify the Yuon [Vietnamese] aggressors there. At present, the number of the Yuon citizens living in the province is increasing. Those Yuon come here to plunder our people's land, rivers, and lakes at will. As for our people—the owners of the land—they have been evicted by the Yuon aggressors and the Phnom Penh faction's authorities and made to live in remote and unfertile areas.

Everywhere in Kompong Cham Province there are countless Yuon citizens. They are hiding out along river banks and in boats, floating houses, shop houses, and townships. Most of them are Yuon soldiers in the guise of businessmen, carpenters, bicycle and motorbike repairmen, merchants, fishermen, jumble salesmen, and so on.

Our people in Kompong Cham Province are enraged at the Yuon aggressors' plundering of their property and their despotic authority over them. They are also furious with those who affirm that there are no Yuon in Cambodia. Our people point out with anger that those who have said that there are no Yuon in Cambodia are totally blind. They ask the UNTAC to immediately join the four Cambodian parties to verify and make sure that all categories of Yuon invading forces withdraw from the province and from everywhere across Cambodia in line with the Paris 23 October 1991 accord.

Khmer Rouge 9-11 Jun Military Activities Reported

BK1706143192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 17 Jun 92

[Summary] The following is a summary of a report from the State of Cambodia's military coordination committee with the United Nations on violations of the Paris agreement.

In Preah Vihear Province on 10 June, Khmer Rouge troops fired 200 H-107 rockets on Regiment 16 positions in Phnum Dek of the Cambodian People's Army in Rovieng District. Khmer Rouge infantry troops also moved into Svay Damnak Village to attack the command post of Regiment 16.

In Banteay Meanchey Province on 9 June, 30 Khmer Rouge troops from Division 450 robbed people in (Baoh Lveng) Village in Mongkolborei District of 10 head of cattle.

In Battambang Province on 9 June, Khmer Rouge troops from Division 36 fired 20 DK-82 shells on (Vey Run) Village in Moung District, wounding a local soldier.

In Siem Reap-Oddar Meanchey Province on 9 June, between 50 and 60 troops from Khmer Rouge Division 980 and Regiment 91 led by (Nhoeum) attacked a position of Battalion 19 in (?Pongro) Village in Chikreng District, wounding a Cambodian People's Army soldier. On 10 June, troops from Khmer Rouge Division 785 transported 35 cart-loads of assorted ammunition to Tram Sarsar Village in Srei Snam District.

In Kompong Cham Province on 11 June, troops from Khmer Rouge Division 785 attacked a position of Battalion 58 in Kang Meas District, killing one and wounding four local soldiers.

On 10 June, troops from Division 417 led by (Pich Cheang) fired five B-40 rockets at a Battalion 43 position in Stoeng Trang District. On 10 June, two Khmer Rouge soldiers robbed and wounded 2 people in O Da, and damaged a motorcycle.

Defense Minister Greets Combatants on Army Day

BK1906072592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 18 Jun 92

["Message of Greetings" from Defense Minister General Tie Banh to officers and combatants on the 41st anniversary of the Cambodian People's Armed Forces—recorded]

[Text] Beloved officers and rank and file of the Cambodian People's Armed Forces [CPAF]: On the celebration of the 41st anniversary of the CPAF and Army-People Solidarity Day, on behalf of the government and Defense Ministry and in my own name, I am extremely happy to send all of you warmest greetings. May you have all the best.

I wish to heartily extol all of you for your valiant heroism, high sense of responsibility, and endeavor in the performance of your tasks, making them successful for the cause of the nation, motherland, and people. Your achievements prove that you are, at all times, worthy of being the successors of your seniors of the Issarak army [Cambodian resistance forces aginst French colonialists in the 1960's]. I wish to address, with the profoundest gratitude and most sincere sentiment, solicitious inquiries to sick, wounded, and disabled officers and combatants receiving treatment in various hospitals—may all of you have a speedy recovery. And I would also like to extend, with sentiment of profound gratitude, greetings to fallen and disase of and the Cambodian people.

Indonesia

Agreement Signed on Biodiversity Conservation

BK1806120992 Jakarta ANTARA in English 1030 GMT 18 Jun 92

[Text] Jakarta, June 18 (OANA-ANTARA)—The Government of Indonesia, the United Nations Development Program (UNDP), and the World Bank Thursday finalised a joint agreement on a project to conserve Indonesia's rich [as received] and biodiversity.

The agreement was signed by Mustopadijaya of Bappenas (National Development Planning Board), UNDP Resident Representative C. Jan Kamp, and the acting director for the East Asia and Pacific region of the World Bank, a statement from UNDP said.

The preparation phase of the biodiversity conservation project for Indonesia will receive a grant of U.S. $1.56 million from the global environment facility (GEF) which is being coordinated by the World Bank, UNDP, and the United Nations Environment Program.

The first phase involves a pre-investment feasibility study to develop a new approach to biodiversity conservation in respect of the Kerinci Seblat National Park on the island of Sumatera which harbours endangered animals and is home to the world's largest flower, the Rafflesia, and the world's tallest flower, the Phalluslily.

The integrated conservation and development project [ICDP] aims to conserve Kerinci Seblat's biodiversity through a comprehensive management plan while maintaining the area's economic and social development potential and ensuring a sustainable livelihood for the local people.

To implement this and other biodiversity activities, GEF is expected to provide an additional U.S. $12 million with other donors being encouraged to cooperate.

The aim is to provide people who live in the park with sources of income such as small and medium-scale enterprises without upsetting the ecological balance of the protected area.

The ICDP approach for Kerinci Seblat is something of a litmus test not only for other parks in Indonesia but also worldwide.

About 100,000 people living in and around the park are expected to participate in the project activities.

The people's help will also be sought to mark the park's boundaries and manage buffer zones where a massive regreening program is needed to stabilize slopes and stop erosion.

The help of non-governmental organisations will also be enlisted in project design, assessment, and evaluation as well as to rally community support and develop a conservation education program to communicate project objectives to villagers.

People may also be trained as park guides and park patrollers to support ecotourism.

A systematic resource base for biological diversity will be developed at the Bogor Herbarium and Bogor Zoological Museum which house the major Indonesian flora and fauna reference collections.

People's awareness of the need to help conserve Indonesia's biodiversity will also be promoted.

Nonaligned Movement Seen Discussing Earth Summit

BK1906065592 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 18 Jun 92

[Station commentary]

[Text] President Suharto believes that the results of the Earth Summit in Rio de Janeiro can be used as topics of discussion at the Nonaligned Movement summit in Jakarta in September. The head of state stressed that the results of the Earth Summit and the unity of nonaligned countries as developing countries will be very important in continuing their national development programs. The president made these remarks to reporters during his flight back to Jakarta from Rio.

If we look back at the objectives of establishing the Nonaligned Movement in 1991 [as heard], it is clearly mentioned that the nonaligned countries wish to see the establishment of a new world based on freedom, equality, justice, peace, and progress. These objectives are still relevant to the present situation even though the cold war between the Eastern and Western blocs appears to have ended. The end of the Cold War has brought about not only new opportunities, but also new problems, which may create dangers to the nonaligned countries, including foreign debts and economic crisis. For the past five years, the prices of commodities produced by developing countries have sharply dropped and several African countries have lost the bulk of their export revenues.

Therefore, it is obvious that economic cooperation among developing countries is badly needed in the efforts to provide substance to these countries' independence from colonialism because even though independence is already gained, it will be meaningless if people still live in poverty, ignorance, and uncertainty. National development itself is inseparable from environment issues because development which neglects environment will not benefit people's lives in the long run. Ideally speaking, development and environment preservation should go together in a harmonious way so the younger generation does not have to inherit the heavy environmental burden.

The nonaligned principles call for support on the struggle against imperialism, colonialism, apartheid, and all kinds of foreign aggression as well as freedom to determine a country's national and foreign policy. All these principles and objectives are indeed closely related to environment preservation because the term environment incorporates everything and anything that exist outside a person, including what can be found underground and in the space. Therefore, it is logical to say that the results of the Earth Summit should be used as topics of discussion for the coming Nonaligned Movement summit because what has been achieved in Rio is a common effort to save mankind and the world from destruction.

Review of Cabinet Meeting on Economic Affairs

BK1806131192 Jakarta THE JAKARTA POST in English 8 Jun 92 p 1

[Text] Jakarta (JP)—The governor of Bank Indonesia (Central Bank), Adrianus Mooy, forsees further declines in bank deposit rates to a range of 16 to 18 percent and lending rates to a range of 19 to 20 percent later this year.

Mooy told newsmen after the monthly limited cabinet session on economic affairs on Saturday that bank interest rates would fall further as a result of the favorable monetary developments in recent weeks and the positive response from the banking industry to the government's signals of eased monetary policy.

Starting early this month, state banks lowered their deposit rates to a range of 17.05 to 19 percent and private banks to between 19 and 20.5 percent.

"Since the annual inflation rate will likely be curbed at 7 to 8 percent (as against 9.7 percent last year), I am optimistic about further declines in bank interest rates later this year," he said.

The inflation rate was checked at only 0.11 percent last month, down sharply from 0.92 percent in April, bringing the cumulative inflation rate during the first five months of this year to 2.38 percent.

He said the central bank had, for the fifth time over the last six months, lowered the discount rates on its certificates of deposits (SBI) to from 15 to 17.5 percent and on money market securities to from 16.5 to 19 percent.

The central bank uses the SBI to reduce the money supply and the money market securities to pump liquidity into the economy.

"Given all these factors and since banks are further improving their efficiency and are more prudent in their lending policies, I expect deposit rates to further fall to from 16 to 18 percent and lending rates to from 19 to 20 percent later this year," Mooy said.

The monthly limited cabinet session, presided over by President Suharto, was held last Saturday instead of the first Wednesday of the month because of the election campaign which involved almost all cabinet ministers as campaigners for Golongan Karya, the nation's dominant political organization.

At present, state banks charge from 24 to 26 percent for short term (working capital) loans and from 22 to 23 percent for longer term (investment) loans.

Citing other favorable factors which provided the government with a broader leeway to steadily ease the credit crunch imposed in the middle of 1990 to cool the overheated economy, Mooy pointed out the central bank's foreign reserve holding of U.S. $11.3 billion as of last month and the steady decrease in imports.

Despite the favorable developments, the central bank's governor reiterated the need to remain cautious, especially with regard to the efforts to curb the current account deficit.

"The current account deficit of our balance of payments still ranges from $4 billion to $4.5 billion or about 3-4 percent of our gross domestic product. This deficit should obviously be decreased," he added.

On the occasion, Mooy also announced his latest measures to lower the interest rates on liquidity credit extended through state commercial banks by the central bank to priority sectors in a bid to accelerate the programs for promoting equity.

The interest rates on liquidity credit for farm loans were lowered from 17 to 16 percent, for cooperatives from 19 to 18 percent, for food procurement by the National Logistics Agency from 19 to 18 percent, and for investment loans to small enterprises from 17 to 16 percent.

"This move aims at further stimulating the development of small-scale enterprises and at supporting the foodstock programs of Bulog," Mooy said.

Minister of Information Harmoko, who accompanied Mooy during the press briefing after the cabinet session, said Indonesian exports in March totaled $2.44 billion and imports $1.91 billion, thereby resulting in a surplus of $533.6 million.

The March exports represented a 15.6 increase percent from a year earlier, while the imports were down by 13.3 percent.

"The export increase was attributable wholly to a 32.3 percent rise in non-oil exports because the value of oil and gas exports actually decreased by 10.3 percent due to declines both in prices and volume," Harmoko said.

He said total exports for the first quarter of this year amounted to $7.28 billion and imports to $6.32 billion, resulting in a trade surplus of $961.6 million.

Laos

Thai Crown Prince Ends Visits, Departs for Home

BK1906064192 Vientiane Vitthayou Hengsat Radio Network in Lao 19 GMT 19 Jun 92

[Excerpts] At 0900 today, His Royal Highness [HRH] Crown Prince Maha Wachiralongkon of the Kingdom of Thailand left his residence for a visit to the That Louang Pagoda in Vientiane. The That Louang Pagoda, or as originally called Lokha Chounlamani Pagoda, is regarded as a shrine destined to have relationship with the Vientiane residents as well as the entire Lao people. At the pagoda grounds, HRH the crown prince was accorded a welcome by His Excellency [H.E.] Kaysone Phomvihan, president of the Lao People's Democratic Republic [LPDR], along with intellectuals, elderly people, and a large crown of Vientiane residents. On this occasion, HRH the crown prince, together with H.E. Kaysone Phomvihan, lit joss sticks and candles to worship the Triple Gems and the pagoda while nine senior Buddhist monks led by the reverend Maha Vichit Singhalat, chairman of the Lao Unified Buddhist Organization, were chanting a stanza of victory. HRH the crown prince then presented alms to the monks. Later, a traditional Basi well-wishing ceremony was organized for HRH the crown prince at the pagoda place.

Later, HRH Crown Prince Maha Wachiralongkon proceeded, in a royal car, respectively to Vat Sisaket and the Phakeo Chapel of Emerald Buddha where he was accorded a welcome and performed royal meritorious acts in the same way as at That Louang Pagoda. [passage omitted]

HRH Crown Prince Maha Wachiralongkon has now ended the seven-day official friendship visit to the LPDR at the invitation of H.E. LPDR President Kaysone Phomvihan. HRH the crown prince left Vientiane on board a special royal plane for Bangkok at noon today. At the Wattai international airport, an official ceremony was held to bid farewell to HRH the crown prince. The ceremony was attended by H.E. President Kaysone Phomvihan along with other Lao leaders and a large crowd of cadres, state employees, soldiers, police, and Vientiane residents.

Houai Sai, Thai Province Discuss Border Issues

BK1706093992 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 17 Jun 92

[Text] A consultative meeting on problems along the Lao-Thai border between the delegations of Houai Sai

District, Bokeo Province, of Laos, and Chiang Khong District, Chiang Rai Province, of Thailand, was held at the Public Security Command of Bokeo Province in early June.

The Lao delegation was led by Lieutenant Colonel Chandeng Manivang, chief of the Public Security Command of Bokeo Province, and the Thai side by Lt. Col. Somsak Thao-akson, chief police inspector of the Chiang Khong District Police Station.

The meeting discussed measures to solve peace and security problems along the common border in conformity with the spirit of the Thai-Lao and Lao-Thai joint statements signed in the past.

These measures will be based on the neighborliness and mutual respect for each other's independence, sovereignty, and territorial integrity, and non-interference in each other's internal affairs.

All this is aimed at making the common border one of everlasting peace, friendship, and cooperation.

From start to finish, the consultations proceeded in an atmosphere of friendship and mutual understanding.

Officials Meet SRV Publishing House Delegation

BK1806093692 Vientiane KPL in English 0912 GMT 18 Jun 92

[Text] Vientiane, 18 June (KPL)—Mr. Somlat Chanthamat, head of the Propaganda Board of the Lao People's Revolutionary Party Central Committee, yesterday received here a delegation of the Vietnamese Su That Publishing House led by its deputy director and editor-in-chief, Nguyen Phu Khanh.

In their cordial discussion, the host and the guests pointed to the past and future cooperation between the publishing houses of the two countries.

It was reported that on the same day afternoon, acting Information and Culture Minister Bounteng Vongsai received the visiting director of the National Vietnamese Library to discuss cooperation in library work between Laos and Vietnam.

Bokeo Signs Cooperation Pact With Xu Mao

BK1706094692 Vientiane KPL in English 0903 GMT 17 Jun 92

[Text] Vientiane, June 17 (KPL)—The Lao northern province of Bokeo has signed with the Chinese province of Xu Mao [as received] a cooperation agreement on agricultural production.

The agreement was concluded while a Bokeo agricultural delegation visiting the Chinese province.

The cooperation covers high-yield rice and fruit tree plantation, seed expansion, veterinary, and agricultural survey and design, effective from this year.

Philippines

Fears Echoed on Japan's Step to Military Buildup

HK1906030892 Manila PHILIPPINE DAILY INQUIRER in English 19 Jun 92 p 10

[Text] The Department of Foreign Affairs [DFA] yesterday echoed fears made by other countries that Japan's decision to deploy military forces for UN peacekeeping efforts may be a step toward a military build-up.

In a statement, the foreign office acknowledged that the Japanese Parliament's recent enactment of a bill authorizing its Self Defense Forces to join in UN peacekeeping operations may have been spawned by Japan's "sincere desire" to help maintain peace and stability in the region.

"(But) the law is also viewed as representing a break in Japan's deeply-rooted policy adopted after the Second World War, to use its forces solely for the defense of the Japanese mainland and its established outer defense perimeter," the foreign office said.

It stressed that this belief was first bolstered when the country decided to deploy its naval self-defense units during the Iraq-Kuwait conflict last year.

"The question arises whether the new law means a further erosion of Japan's announced resolve and of its long held policy never to become again a military power."

"This has given rise to the voices of concern now heard in the Philippines and in other countries in the region over this new law," the DFA added.

In a related development, cause-oriented groups picketed the Japanese embassy yesterday.

Nathaniel Santiago, deputy secretary-general of the Bagong Alyansang Makabayan [New Nationalist Alliance], said the new law is an initial step to Japan's remilitarization where a Japanese military bloc is created to support and maintain its economic supremacy in the region.

He pointed out the similarity between the conditions preceding the first two world wars and the conditions now.

"With the end of the Cold War, two more world powers are emerging. There is, of course, the United States, Europe with its plan to have a common currency and mutual military system, and then Japan with its Peacekeeping Operations Bill to support its economic success," Santiago said.

Against the anti-militarist sentiments of the Japanese people who experienced the wars' horrors first-hand, the Japanese elite are "paving the way to create a scenario of war and conflict to further its economic strength," Santiago added.

Amante Jimenez of the League of Filipino Students said Japanese forces would most likely be deployed in Burma, South Korea and the Philippines.

Japan Not To Assume Police Role

HK1906095192 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 19 Jun 92

[Text] Japan will not assume a policeman's role in Southeast Asia. Rear Admiral Mariano Dumancas clarified this by explaining that the United States itself has properties in the Philippines that can be guarded anytime even if there are no more bases at Clark and Subic.

Dumancas said the United States is still committed to defending Southest Asia, particularly the Philippines, despite the absence of their military bases. He added that while U.S. Navy vessels are positioned in Southeast Asian waters, Japan cannot compete with their security operations. He reiterated that the United States has not yet surrendered its role as the original police of the Asian region.

Navy Rejects Israel's Offer To Sell Gunboats

HK1606045892 Manila MALAYA in English 16 Jun 92 p 6

[Text] Navy Chief Rear Admiral Mariano J. Dumancas Jr. yesterday said the government turned down an Israeli offer to sell refurbished missile gunboats.

Dumancas said the offer would be more costly in the long run since the missile-firing gunboats were more than 20 years old.

Israel had offered to sell gunboats to the Navy as part of the latter's modernization program.

The gunboats are armed with Gabriel surface-to-surface missiles which saw extensive action during the Israeli-Arab war in 1967.

The Navy has pending orders of three missile gunboats from Spain, three fast patrol craft from Australia and two logistics vessels from China.

It will also acquire eight modern warships during the first five years of its 10-year development program.

In a related development, a 1,000-strong officers and men of the Philippine Navy led by Dumancas donated blood to the Philippine National Red Cross Monday [15 June].

The mass donation, held at the Navy headquarters along Roxas Blvd., Manila signaled the start of a week-long celebration of the 94th anniversary of the Navy on June 23.

The volunteers were from the various units of the Navy—the Marines, the Coast Guard, Bonifacio Naval Station, Naval Support Command, Philippine Fleet, Naval Training Command, Naval Computer Center, Naval Finance Center and Naval Intelligence Security Force.

Official Says Central Bank Gold in Switzerland

HK1906010892 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 18 Jun 92

[Text] Philippine Commission on Good Government Chairman David Castro has confirmed the discovery of gold bars with Central Bank seal in Switzerland. Castro said the gold bars may be recovered within the year if an agreement is reached with the holders. He added he has video footage of the gold bars bearing the Central Bank seal but added that this does not mean they belong to the Central Bank.

Congress Postpones Session on Ramos Proclamation

HK1906010992 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 18 Jun 92

[Text] Congress has postponed today's plenary session until Monday [22 June] to give senators and congressmen more time to study the final report of the 14-man congressional canvass committee.

Eleven of the 14 committee members have approved the report in principle.

Senators John Osmena and House Minority Floor Leader Victor Ortega, both of the Nationalist People's Coalition, disagreed with the final report. But, Senate President Neptali Gonzales said this will not present a big obstacle to the report's approval.

The committee report will be taken up by the senators and the congressmen sitting separately but will be ratified in a joint session.

Assures Proclamation on 22 Jun

HK1906104992 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 19 Jun 92

[Text] Senator Wigberto Tanada, Joint Canvassing Committee chairman, assured the proclamation of the new president and vice president of the Republic of the Philippines on 22 June. Ana Soriano reports:

[Begin Soriano recording] Tanada said the debate resolving to proclaim Fidel Ramos president and Joseph Estrada vice president will start Monday [22 June]. He said the legislators must convene as soon as possible to determine who will speak, before [the Congress] session starts. One hour is to be given for the resolution speech and two hours for the rebuttal. Objections and findings of the joint technical and canvassing committees will be included as annexes to the resolution.

NGOs Allowed Active Role in Government

HK1906030692 Manila PHILIPPINE DAILY INQUIRER in English 19 Jun 92 p 8

[Text] Incoming President Fidel V. Ramos yesterday vowed to allow non-governmental organizations (NGOs)

to take an active role in nation-building under his administration as he thanked them for their support in the May 11 election.

Speaking at the turnover rites of President Aquino's Kabisig [Partnership] movement at Malacanang, Ramos said he would make people's organizations and NGOs under the Kabisig the backbone of his government.

Ramos said traditional politicians should realize that the NGOs have become a strong political force to reckon with under the Aquino administration, particularly during the elections.

"Indeed, what has been proven during the last two years is the vindication of the concept that had before been scoffed at by non-believers," Ramos said.

Ramos also assured the NGOs present of his administration's willingness to consult them on vital national issues that affect the lives of the poor.

President Aquino, the prime mover of the Kabisig, said she was happy to vacate the presidency in favor of Ramos when she believed he will continue her good programs in government.

She also asked Ramos to continue the President's Social Fund (PSF) which is being financed by the casinos.

Ms Aquino said that since her lawyers have told her that she cannot head any NGO for one year after her term ends on June 30, she will just take an active role as an NGO member or liaison officer.

During the ceremony, Ramos appealed to NGO leaders to extend to his administration the same support they had extended to the outgoing government.

During the ceremony, 10 outstanding PSF-partners or NGOs were awarded by the President for their continued commitment to implement government projects.

Abadia Allays Fears of New Faction in Military

HK1806082792 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 18 Jun 92

[Text] General Lisandro Abadia, Armed Forces of the Philippines [AFP] chief, has allayed fears that a new faction will emerge under the administration of president-elect Fidel Ramos.

Abadia said the military will remain united whoever wins.

He expects positive changes in the AFP, with professional troops, additional equipment, and more effective operations.

Admits Military Tainted in Past

HK1806051892 Manila THE CHRONICLE in English 18 Jun 92 p 1

[Text] The Armed Forces chief of staff, Gen. Lisandro Abadia, yesterday admitted that the military had allowed itself to be used and corrupted during the Marcos years but that reform had been taking root since the installation of a democratic government in February 1986.

Speaking at a forum at the Center for Research and Communications in Pasig, Abadia admitted that the military's image sank to its lowest during the martial law years presided by then dictator Ferdinard Marcos.

"In terms of its martial traditions," he said, "the Armed Forces... did not come off, I must admit in all candor, with an entirely clear record."

He said it was already written in the "annals of military history" that during martial law, the military had been involved in "massacres involving innocent civilians, abuse of human rights and, in some instances, outright political repression that would have been roundly condemned today."

But he said that the Edsa [Epifanio de los Santo Avenue] revolution in 1986, which swept away the Marcos dictatorship and installed the popular government of President Aquino, enabled the mainstream military to break away from the "elitist leaders who constituted the inner circle of dictatorship."

"In a way," he said, "I would subscribe to the general assessment that martial law was a downside of the Armed Forces, which Edsa, short-lived as it was in the hearts of some who eventually turned against the government of Mrs. Aquino, was a small crest."

Abadia explained that under martial law, it was inevitable for the mainstream in the military to "dutifully follow orders" from a "perceived few (who) wielded vast powers of the proportions usually reserved for authoritarian regimes of military dictators."

Abadia said that the way the military would play its role in the administration of President-elect Fidel Ramos will ultimately depend on the kind of "political environment" Ramos will give shape to.

Ramos To End Insurgency With Nonmilitary Means

HK1606042292 Manila PHILIPPINES NEWSDAY in English 16 Jun 92 pp 1, 2

[By Rosemarie V. Francisco]

[Excerpt] High-ranking officials of the military yesterday said former Defense Secretary Fidel Ramos, who was currently leading in the official tally for the presidential race, would be solving the problem of insurgency "not through arms anymore but through economic and social activities of government" should he be proclaimed president of the country.

General Gerardo N. Flores, deputy chief for operations of the Philippine National Police (PNP), said in the regular Kapihan [Coffee] forum at the Manila Hotel yesterday Ramos could use the economic and social

development activities of government in the identified areas where communists operate if he became president.

Flores noted that Ramos had limited means with which to fight the insurgency problem when he was defense secretary because only certain government agencies were open for his disposal. If Ramos became president, "then (he could use) the other forces of government to defeat communism," Flores said.

Armed Forces Chief of Staff General Lisandro Abadia, who was also at the Kapihan forum, implied that the problem of insurgency needed a solution that would attack the core of the problem. He said Ramos "understands the political, economic and social implications of the insurgency and he understands that there is no such thing as a military solution (to it)."

Flores added that the people in the PNP welcomed Ramos's pronouncements of executive clemency for leftist and rightist rebels.

He said the military had been trying to grant the personal requests of key leaders of the communist movement who are under government custody, as there had been indications that even if these people were allowed to go out on bail, "we can still handle the situation," Flores said. "And this is an opening for us to show our sincerity in the peace process."

Abadia likewise said Ramos had extended the possibility of political solutions to the problems of the outlawed Communist Party of the Philippines-New People's Army (CPP-NPA).

Regarding the possibility of a major revamp in the military once Ramos assumed the presidency, both Abadia and Flores believed that he would not institute such radical changes.

"He (Ramos) believes in the staff, he believes in the system. He knows that the leaders of the Armed Forces went through a system of selection. I don't think he is going to change the system which he himself helped put in place," Abadia said.

For his part, Flores said Ramos "is very cautious" with regard to appointments. "He studies the background of the officers before placing them in executive positions."

Flores also dismissed perceptions of various sectors regarding a "growing militarism" in the government once Ramos assumed the presidency. "I believe it will be the contrary," he said. [passage omitted]

Ramos, Leftists Differ on Insurgency

HK1906023292 Manila THE CHRONICLE in English 19 Jun 92 p 7

[Text] Prospects for a peaceful settlement of the communist insurgency under the Ramos government appeared bleak because of opposing hardline views of both the new administration and the Marxist guerrillas on how to resolve the conflict.

Fidel Ramos, the former defense chief who emerged winner in the May 11 elections, earlier expressed his desire to grant only a selective form of amnesty for all anti-government forces.

He also specifically set two conditions—laying down arms and renouncing violence—as a means of effecting change in government and in society.

But the guerrillas asked for unconditional and absolute amnesty. A National Democratic Front [NDF] spokesman also demanded that government must first create an atmosphere that would encourage a return to the mainstream. The NDF is an umbrella organization of 14 left-wing rebel groups with its main foreign office in the central Dutch city of Utrecht.

In Utrecht, the Filipino insurgent group Wednesday [18 June] denounced as insignificant the possible amnesty offer.

Byron Bocar, Dutch-based spokesman for the NDF, said an amnesty widely rumored to be granted to left and right-wing extermists next month would "go nowhere towards addressing the Philippines' real problems.

"Until the government introduces proper land reform and a program of national industrialization, an amnesty cannot lead to a just and lasting peace in the Philippines," he said.

These opposing views on how amnesty could be granted and the pre-conditions set by both parties appeared to be the most formidable barrier in resolving the conflict.

For instance, on the issue of land reform, Ramos and the rebels had different approaches to the problem. While the rebels insist on the immediate distribution of lands to the farmers and in some cases, virtually grabbing the lands of some private individuals, Ramos favors distribution of lands without sacrificing productivity.

Ramos favors profit-sharing and other similar schemes for highly productive agricultural lands like big plantations.

He said distribution of lands alone would not make the land reform program successful and should go along with numerous support facilities like farm implements, appropriate technology, credit facilities, roads and irrigation systems.

He said cutting up highly productive lands and distributing it to farmer-tenants who did not have the necessary support facilitics would be an unwise and wasteful solution to the problem.

But he favors the immediate distribution of idle government lands.

The rebels' call for industries to be nationalized might also negate the country's open-market system in the light of the growing efforts of neighboring countries to liberalize trade in support of the ASEAN Free Trade Agreement.

Ramos said the Philippines needed fresh capital to generate more jobs and increase economic activities in the country.

The country can only attract fresh capital by opening its market to foreign investments through joint ventures, co-production and the build-operate-transfer scheme.

The country does not have enough capital to spur economic growth so that it cannot afford to limit the economic opportunities to the Filipinos only.

Bocar said the NDF believed an amnesty may really be in the offing, but added that the causes of the 23-year-old left-wing insurgency against the government would not be remedied by an amnesty or even a truce.

Bocar was unwilling to comment on what the NDF response to an amnesty would be.

"We don't yet know exactly what the amnesty proposals will involve. But unless they reflect a sincere attempt by the government to shift toward a political solution we have to be skeptical," he said.

Leaders Arrive for Communist Party Plenum

HK1906033092 Manila BUSINESS WORLD in English 19 Jun 92 p 12

[Text] The national leadership of the outlawed Communist Party of the Philippines-New People's Army (CPP-NPA) is scheduled to convene its biennial national assembly late this month or early next month. The disclosure came a day after the announcement of the arrest of alleged National Democratic Front (NDF) external affairs chief Ma. Victoria Justiniani in Quezon City. According to a senior intelligence officer, several Visayan-based communist leaders have been monitored recently to arrive in Metro Manila and Region IV. Aside from Ms. Justiniani, other Visayan-based leaders namely Edwin Edward Vargas; the alleged secretary of the Negros Island Regional Party Comittee (NIRPG), and his wife, Mrs. Theresa Vargas, NIRPC finance committee chairman—were also captured last march in Metro Manila. Among the agenda of the plenum are the evaluation of the impact of the elections on the revolutionary movement and the planning for the two-year military plan, the source claimed. The other purpose of the assembly, another source said, is to formally announce to the middle-echelon officers the appointment of Arturo Tabara as the new NPA chief of staff. Mr. Tabara, reportedly to be the former chief of the NPA Visayas Commission, has taken over the post of alleged NPA chief Romulo Kintanar, after the latter was nabbed by the Philippine National Police operatives last October in Makati. Mr. Tabara was chosen over Far Northern Luzon Commission chairman Leo Velasco and Mindanao Commission head Prudencio Calubid. The plenum, the Camp Aguinaldo source added, will be held "somewhere in an insurgent-influenced area in Southern Tagalog." However, when pressed by newsmen he said that it be held in one of the municipalities in Quezon province. The last plenum was held two years ago somewhere in Ifugao province, where Benito Tiamzon, the alleged acting CPP chairman, attended. The military has yet to determine it Mr. Tiamzon will also preside over the plenum.

Thailand

Anan Outlines Agenda in First Public Speech

BK1906023592 Bangkok BANGKOK POST in English 19 Jun 92 pp 1, 3

[Text] Prime Minister Anan Panyarachun yesterday warned Thais not to expect too much from his Government and called on everyone to think more deeply about how to take the country out of its political and economic crisis.

In his first public speech since his re-appointment to the premiership, Mr Anan said he will place greater emphasis than before on political issues, while also devoting efforts towards renovating the economy, particularly in hardest hit sectors such as tourism.

The need for political action arises from the conflict that led to his appointment, Mr Anan said, while his previous government's political initiatives were constrained by rules laid down after last year's coup d'etat.

The changes required to take the country out of its political and economic problems will have to be long-term, lasting beyond the three or four months of his interim Government, he said.

And he placed great emphasis on the business community asserting itself more in political affairs.

The fact that he had been invited to give yesterday's speech, the keynote address at a seminar on reviving the Thai economy organised by the three main private sector business organisations, shows a desire by the community to play an active role in preventing a repeat of last month's violent conflict, he said.

He had originally been invited to speak as a private individual who chairs a company, before he was re-appointed prime minister.

"Now I stand before you as Nai (Mr) Anan, a citizen who is concerned about the direction in which Thai society is heading."

The former ambassador repeated his earlier hints that he will seek a solution to the conflict over the future of the top military commanders, blamed for last month's bloodshed, through closed-door diplomacy.

"It's my duty to study everything that has been said and written in order to ease the tension, build unity and create compromise. These are not easy to do.

"These things cannot be done transparently as is my preference with business issues. They cannot be done by criticism and daily interviews. They have to be done gently, providing honour and dignity, and with justice."

Mr Anan spoke slowly and solemnly, without any of the jokes that usually enliven his speeches.

"Stop thinking simplistically. Think profoundly. Do your homework," he urged.

His audience of about 1,000 at the Queen Sirikit National Convention Centre, including some of the country's top business and bureaucratic figures listened in hushed concentration. The proceedings were televised live nationally.

"Let's have an end to this belief in knights on white horses. They don't exist in Thailand. They don't exist anywhere."

His majesty the king has already helped relieve the suffering, he said.

"It's up to all of us to do our duty."

The prime minister called for compromise. No one can claim they are more patriotic or more loyal to the monarchy than anyone else, he said. The conflict "must not lead to confrontation. We have rights, duties and responsibilities." Mr Anan was speaking at a seminar on reviving the economy organised by the Federation of Thai Industries, the Board of Trade, the Thai Bankers' Association Thammasat University's Economics Association, and the Economic Reporters' Club.

He observed that his appointment, a second "accident" following the one that had led to his appointment in March last year, has eased tension, reduced conflict and created an atmosphere of relief

"But I say with respect: Don't hope for too much from me. I am only an individual. If you believe Nai Anan can do everything, that will mean national doom, because I know Nai Anan cannot do everything."

Nor can the 25-member Cabinet alone, he added. Nor can hundreds of thousands of members of the private sector, or the seven or eight million people of Bangkok.

"It is the duty of all Thais to ask themselves: What are the lessons to be learnt from what happened?"

He depicted last month's protests and bloodshed as proof that economic progress and modernisation have to be matched by similar political and social progress.

"Events have shown that no matter how far economic development progresses, the development of politics, of the consciousness of the people, of the parliamentary system, of the moral attitudes of the people—no matter how far economic development progresses—without these (other development) society will trip itself up again."

The question everybody is asking is whether Thai society can tolerate a repeat of what happened, he said.

"The answer is: It cannot happen again. But what can we do to prevent it?"

Mr Anan's vision of joint efforts to pull the economy out of its crisis focus on the revival of the Joint Public-Private Sector Coordinating Committee and numerous other joint "mechanisms", both formal and informal, that he urged his audience to create.

He pledged that within the next two or three weeks he will convene a national public-private sector task force to revive the tourist industry.

"This is a mechanism that I will create, and from now on I want all sectors to join forces with the Government. This is my invitation. The private sector has to make this work."

He argued that the private sector is well-placed to help the nation "by mobilising its thinking, its resources, its experience and its management skills.

"When I was head of the previous government I was in office for 13-14 months. Many of you said we were too active, we brought out 270 laws, but we did little to lay the foundations of democracy. The fault lay with the terms of my appointment to the premiership."

Mr Anan said the National Peace-Keeping Council set down a clear division of labour that kept the government outside the drafting of the Constitution and electoral rules.

"We spent most of the time trying to create economic recovery," he said.

Search of Military Sites for Bodies Urged

BK1906034192 Bangkok THE NATION in English 19 Jun 92 p A1

[Text] A subcommittee looking into the disappearance of some 700 people in the aftermath of the May 17-20 bloodshed has urged the full government investigation committee to search military installations for bodies.

Subcommittee chairman Pradit Charoenthaithawi said there was strong evidence to suggest that the bodies of those killed by security forces had been buried at the installations.

Doctor Pradit said yesterday his subcommittee had asked the government investigation committee, headed by former Supreme Court chief justice Sophon Ratthanakon, to exercise its authority and conduct on-site inspections at military installations, some of them in Bangkok, in the next few days.

"[One of them is] a very large military installation in Bangkok, according to very reliable sources," he said. "[But] it may be very difficult getting in there."

Pradit identified one of the sources as an army major general.

The government investigation committee, appointed by former acting prime minister Michai Ruchuphan, was entrusted with the task of assessing casualties and tracing missing persons and now reports directly to Prime Minister Anan Panyarachun.

Sources in the subcommittee told reporters yesterday that the suspected sites of mass graves outside Bangkok include army installations in Chanthaburi, Lop Buri, Prachinburi and Surin.

He said the subcommittee was trying to verify the more than 200 pieces of evidence and information about missing persons it had received so far.

Pradit said much of the evidence supported the public's suspicion that the military is trying to cover up the actual casualty toll in the bloody crackdown by disposing of corpses that were taken from the scene of the massacre on and around Ratchdamnoen Avenue and Sanam Luang.

"Some of the evidence is believable; some of it incredible. We are trying to sort it out," the subcommittee chairman said.

Eyewitnesses insist that they saw troops take away to unknown destinations several truckloads of bodies from the Sanam Luang area in a pre-dawn operation against pro-democracy protesters on May 19, when most of the killings took place. The armed forces denied the reports.

The official casualties stand at 52 dead and hundreds others injured. But eyewitnesses, including doctors at the scene of the violence, say they believe the actual death toll could be much higher.

Pradit, also rector of Mahidon University, said he believed forensic experts would be able to identify the bodies as well as the cause of death even if they were exhumed months later.

But he said the subcommittee had yet to determine how many of the more than 700 missing persons were actually dead.

According to Pradit, the subcommittee had listed 742 people, 106 of them women, as unaccounted for. The subcommittee put the official death toll at 46, with two people still unidentified and has succeeded in locating 765 people who were earlier reported missmg.

Sophon Ratthanakon, chairman of the government investigatory committee, said yesterday that Gen Banchop Bunnak and Phairot Ningsanon, who were appointed defence minister and public health minister respectively in the interim Anan administration, had been replaced by Gen Wichit Wichitsongkram and Dr Banlu Siripanit.

"The committee will speed up the investigation and report progress in its work to the prime minister once a week," Sophon said.

A testimony paper submitted by Army chief Itsarapong Nunphakdi to Parliament's ad hoc committee investigating the bloodbath said there were only few "accidental" loss of lives during the crackdown.

"None of the rumours was true. It is not true that troops fired into the Royal Hotel," the paper said.

Minister Forms Military Team To Probe Violence

BK1906035992 Bangkok THE NATION in English 19 Jun 92 pp A1-A2

[Text] Deputy Permanent Secretary for Defence Phichit Kunlawanit, once a prominent Army officer, has been appointed to lead a military investigation into last month's bloody crackdown on the pro-democracy rallies.

Defence Minister Gen Banchop Bunnak said yesterday that he has set up the military panel headed by Phichit to investigate the military leaders who may have been responsible for the May 17-20 bloodshed.

Phichit, once considered a contender for the post of Army chief in the early '80s, is seen as a neutral appointment to lead the military investigation as he has only a remote connection with the current top brass.

Banchop said the panel members include assistant commanders in chief of the three armed forces, the Defence Ministry's judge advocate general and the director general of the Secretariat Department.

The minister said military officers from the ranks of colonels would serve as clerks for the panel because "some senior military commanders will also be questioned by the panel."

Banchop was apparently referring to Supreme Commander and Air Force chief ACM [Air Chief Marshal] Kaset Rotchananin and Army commander in chief Gen Itsaraphong Nunphakdi.

The two, together with First Army Region commander Lt Gen Chainarong Nunphakdi, Itsaraphong's cousin, and former interior minister ACM Anan Kalinta, are accused by the public academics and many politicians of being responsible for the deaths of scores of innocent demonstrators.

The minister also pledged to pursue the investigation through to its logical conclusion.

"We want to know the facts of whether, and how, the military commanders involved in the incidents had taken appropriate or wrong action," the minister said.

Banchop said he expected the panel would meet no obstructions although it had to question the military chiefs, "because all panel members are senior officers, especially the deputy permanent secretary who is more senior than the current top brass."

Phichit is due to reach his mandatory retirement at the end of September.

He has lost to Gen Athit Kamlang-ek, now Sammakhi Tham Party chief adviser, Gen Chawalit Yongchaiyut, New Aspiration Party leader, and Gen Sunthon Khongsomphong, chairman of the now defunct National Peacekeeping Council, in three ballots for the posts of army chief and supreme commander.

Banchop dismissed as "rumour" speculation that Kaset, Itsaraphong and Chainarong would be seconded to inactive posts to allow a fairer investigation into the bloodshed.

Separate investigations are being conducted by the House of Representatives and the government.

The minister said he expected that the results of the probe by the defence committee would later be compared with those from the other two panels.

The ad hoc House committee on Tuesday summoned Kaset, Itsaraphong and Anan to testify on the bloodshed but the three did not show up. Instead they presented written testimonies, maintaining that they were not wrong in ordering the crackdown on the pro-democracy protesters.

Banchop said he thought that the three military leaders had already cooperated with the House panel by submitting the written testimonies.

"The written testimonies were in good order, and they should be better than verbal accounts as they tend to give more accurate information," Banchop said.

But critics said that Kaset, Itsaraphong and Anan presented distorted versions of the bloodshed and told lies to the House. They were also accused of not cooperating with the panel.

Findings of All Probe Teams To Be Examined

BK1906030392 Bangkok BANGKOK POST in English 19 Jun 92 p 6

[Text] The Government is expected to consider the findings of all three committees investigating last month's political events before drawing a conclusion, said Defence Minister Gen Banchop Bunnak yesterday.

Gen Banchop took up his new post as Defence Minister yesterday morning and was greeted at the ministry by senior military officers including Supreme Commander and Air Force Chief ACM Kaset Rotchananin, Army Chief Gen Itsaraphong Nunphakdi, Navy Chief Adm Wichit Karunyawanit and Defence Permanent Secretary Gen Wanchai Ruangtrakun.

Three committees—one each appointed by the Parliament, the Government and the Defence Ministry—are now investigating the incidents surrounding May 17-20. Gen Banchop is himself sitting on the Government probe committee chaired by Sophon Rattanakon.

The Defence Ministry committee is chaired by Deputy Permanent Secretary for Defence Gen Phichit Kunlawanit. Other members of the committee include the assistant commanders of the three Armed Forces and the Armed Forces Judge Advocate General.

Gen Banchop said the committee members were neutral and the investigation results would be satisfactory.

Gen Phichit is a senior and respected person who could guarantee neutrality, he said.

Gen Banchop said all three committees would try to obtain factual information concerning the incidents.

"They will also point out what is right and what is wrong, and suggest remedial action," he said.

Gen Banchop said talk about a change in the command of the Armed Forces was just rumour.

He also said he would not answer questions beginning with the word "if" when asked if any of those in command would be dismissed if found guilty.

"We have to wait for the investigation results as they are expected to show if anyone made a mistake. We still have to see if the mistake deserves punishment and to what extent. We know nothing until that time," he said.

Gen Banchop said the committees should be able to finish their investigations at about the same time, which should be as soon as possible.

He said the calls from some MPs for the abolition of the Internal Peace-Keeping and Capital Security Commands required careful consideration. A change in the law may be necessary along with a change in the situation.

He said the media could play an important part now in improving the image of the Armed Forces, and soldiers should try to reach a better understanding with the people to regain their trust.

Gen Banchop, when asked if the Armed Forces commanders would review their political involvement, answered:

"I have said that soldiers must be soldiers. It is believed they will now consider reducing their political role if they were previously involved in politics."

Royal Decree To Dissolve Parliament Expected

BK1906022992 Bangkok BANGKOK POST in English 19 Jun 92 p 1

[Text] The Cabinet is expected to promulgate a royal decree next Tuesday calling for a dissolution of the House of Representatives, parliamentary sources reported yesterday.

News of the probable dissolution move at next Tuesday's Cabinet meeting sent shock waves through MPs, particularly those from the pro-military bloc, who frantically sought talks with House Speaker Athit Urairat in a bid to delay or head off the dissolution.

About 20 so-called "Young Turk" members of the Samakkhi Tham, Social Action, Chat Thai and New Aspiration parties, including Phongpon Adireksan, Somsak Khun-ngoen, Sukhum Laowansiri, Chaowarin

Latthasaksiri, Phinit Charusombat, Praphat Pothisuthon and Ampon Chancharoen, called on Dr Athit Urairat yesterday morning.

A source said the group opposed the early dissolution because it would lead to the dropping of several motions still pending in the House. They also said they had not yet had time to address the problems of their constituents.

The source said several MPs were worried a hasty election would hamper the reconstruction of the economy and national reconciliation.

The group also wants to delay the dissolution in the hope political tensions will ease and there will eventually be a compromise between all parties making way for a government of national reconciliation.

Mr Chaowarin told reporters later the group had asked Dr Athit for the opportunity to debate the proposal extensively after the Prime Minister has presented his policy statement.

Another group of more senior MPs representing most parties across the political spectrum also called on Dr Athit in the afternoon reportedly to discuss alternatives to a dissolution.

Sources said the group wanted the dissolution delayed or scrapped so a government of national reconciliation could be formed to replace the interim administration led by Mr Anan Panyarachun.

Democrat Party leader Chuan Likphai said yesterday a group of MPs had nominated him as prime minister in order to save the Parliament from being dissolved.

But he said the move was "a little bit too late", and he didn't see how the dissolution could be avoided "because it is a matter for the executive branch".

"I have sympathy for the new MPs," said Mr Chuan.

New Aspiration spokesman Chaturon Chaisaeng said his party opposed any move to prevent or delay the dissolution.

He said the effort ran counter to the will of the people, and the Prime Minister has already said the major task of his administration was to dissolve Parliament.

SAP deputy leader Suwit Khunkitti said SAP MPs who met Dr Athit were acting on their own initiative without the backing of the party.

Solidarity deputy leader Chamni Sakdiset said the situation had now gone beyond the stage of forming a government of national reconciliation.

Dr Athit said Mr Anan would meet with the leaders of all parties, the House Speaker and his two deputies, and the deputy Senate speakers after delivering his policy statement to Parliament on Monday.

The meeting is expected to discuss a number of matters affecting national affairs and then the group will adjourn for lunch.

Dr Athit said the Prime Minister was empowered to decide whether to dissolve Parliament himself, but it may be discussed on Monday. The Speaker met with the Prime Minister yesterday, but he refused to give details.

Copies of Mr Anan's policy statement were sent to Parliament yesterday.

In his preamble, Mr Anan said his Cabinet was formed at a time when the country was in crisis and had suffered gravely because of the confrontation between various groups which had resulted in political confusion, economic stagnation in some sectors, and wide-spread suspicion and apprehension among the public.

He said the country's stability would be hampered severely if the situation was allowed to continue.

The objectives of his appointment were "to return democracy to the people" so the development of a democratic administration could be continued and a government could emerge after an election which is able to restore stability and peace within a short time.

Mr Anan's interim government intends to:

—Undertake peaceful means to preserve internal stability and security, to restore understanding and national unity;

—Speed up efforts to ease hardship caused by natural disasters, the drop in the price of agricultural products and other problems

—Undertake measures to restore confidence among the people by carrying on economic liberalisation policies and the principles of open government;

—Carry on the policy of income distribution, and rural and agricultural development by accelerating the implementation of infrastructure projects

—Speed up implementation of projects initiated on the occasion of Her Majesty the Queen's 60th anniversary;

—Promote and protect the rights and freedom of the people, especially freedom of expression and freedom of access to information, and

—Promote the people's awareness about their importance and role in constitutional democracy and to ensure the next election is free and fair.

Foreign Reaction to Anan Appointment Cited

BK1906104592 Bangkok Radio Thailand Network in Thai 0000 GMT 19 Jun 92

[Text] First Lieutenant Rawi Hongpraphat, deputy director general of the Foreign Ministry's Information Department, reported to the press on the international

reaction to the appointment of Anan Panyarachun as prime minister. He said that foreigners believed the solution was the best for Thailand at the moment. The foreign mass media also praised the king's judgment in helping to find a way out of the national crisis. Many countries have sent congratulatory messages to Prime Minister Anan on his reappointment.

He said the political situation will not affect Thailand's free economic policy. The previous government of Prime Minister Anan Panyarachun tried to encourage the private sector to play a bigger role in boosting economic liberalization and efficiency, and this will serve as a foundation for Thailand's economic development in the long run.

Two New Repatriation Routes Opened for Cambodians

BK1906063892 Bangkok Voice of Free Asia in English 1500 GMT 18 Jun 92

[Text] Thailand has opened two new repatriation routes for Cambodian refugees in Surin and Prachin Buri Provinces, Cambodian Repatriation Coordination Center's chief Lieutenant General Sanan Khachonklam said yesterday. The new routes, through Kap Choeng and Sangkhla Districts of Surin and Ta Phraya District of Prachin Buri, have been approved by the Supreme Command, the National Security Council, and the Interior Ministry, he said. With the additional repatriation routes, Thailand hopes to be able to send back as many as 40,000 Khmer monthly, and all 363,000 refugees are expected to be back in their homeland in time to participate in next year's general election in May. A total of about 28,000 Cambodian refugees from 6,300 families were repatriated from the camps in Thailand between 30 March and 15 June this year, he said.

Laos Requests Permanent Border Crossing

BK1706014592 Bangkok BANGKOK POST in English 17 Jun 92 p 2

[Text] Nong Khai—Laos has asked Thailand to open a permanent border crossing between Bung Kan District of Nong Khai Province and Paksan town in Laos' Bolikhamsai Province, Nong Khai Governor Maitri Naiyakun revealed yesterday.

Thai and Lao delegates from neighbouring Nong Khai and Bolikhamsai provinces met yesterday in Nong Khai and discussed ways of solving trade and tourism problems, promoting cultural cooperation and creating a peaceful atmosphere along the Thai-Lao border.

Thai and Lao officials also agreed to allow sick people of both countries to cross the border to seek medical treatment without having to show border passes. But they will be required to present the documents later.

Mr Maitri said Bolikhamsai Governor Ounla Sai-gnasan also urged Thailand to consider opening four more temporary border-checkpoints at Bung district.

Interior Minister Views Election Preparations

BK1706091592 Bangkok Radio Thailand Network in Thai 0530 GMT 17 Jun 92

[Text] Police General Phao Sarasin, deputy prime minister and interior minister, granted an interview to the press today after holding a briefing session for ministry officials together with his deputy ministers. He stressed that officials be strictly impartial in the coming elections, and not act to benefit or create disadvantages for candidates of any party. They must make the best possible efforts to prepare a fair and honest general election. Action will be taken against officials who are found not remaining impartial. The minister said that public relations campaigns on democracy will be launched for village headmen and tambon [cluster of villages] chiefs who will be responsible for holding the elections.

Police General Phao Sarasin said that cooperation is needed from all sectors to make the elections honest and fair. There will not be any new amendments to laws, but existing election laws will be implemented. He said he wants a larger role for the election monitoring body. He will study the election law first to see how this could be achieved. He said that dates had not been fixed for the House dissolution or for the general election, but he expected that the election could be held by late August or early September.

Vietnam

Presence of MIAs in USSR Said 'Unfounded'

BK1806150192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 18 Jun 92

[Text] In response to an answer raised by VIETNAM NEWS AGENCY [VNA] concerning reports on U.S. prisoners-of-war in Vietnam having been sent to camps in the Soviet Union and that some of them may still be alive, a spokesman for our country's Ministry of Foreign Affairs said: As it has been made clear many times, the Vietnamese Government again reiterates that immediately following the signing of the 1973 Paris agreement, the Vietnamese Government returned all U.S. prisoners-of-war to the U.S. Government and no U.S. prisoners-of-war were sent from Vietnam to the Soviet Union during and after the war.

Like other reports obtained so far from different sources on U.S. prisoners-of-war still being alive, the news about six U.S. prisoners-of-war in Vietnam having been sent to the Soviet Union is completely unfounded. The problem of U.S. military personnel missing in the Vietnam War is a humanitarian and sensitive issue for both the Vietnamese and American peoples. Therefore, these reports should not be used to serve any purpose.

Vo Van Kiet Receives French President's Son

BK1806151592 Hanoi VNA in English 1438 GMT 18 Jun 92

[Text] Hanoi VNA June 18—Chairman of the Council of Ministers Vo Van Kiet received here this afternoon Mr. Jean Christophe Mitterand, son of the French president and advisor to the French presidential office who has arrived here on his first leg of a Southeast Asian tour.

Present at the reception were Vice Foreign Minister Nguyen Duy Nien and the French ambassador to Vietnam.

Chairman Vo Van Kiet and Mr. J. C. Mitterand had an exchange of views on international and regional issues of common concern and discussed measures to strengthen the friendship and cooperation between the two countries.

Chairman Vo Van Kiet welcomed Mr. J.C. Mitterrand's visit which followed the visit to France of Vietnamese Foreign Minister Nguyen Manh Cam as a contribution to enhancing the mutual understanding and cooperation between Vietnam and France in the new period.

Chairman Kiet highly appreciated the development of the relations between the two countries in the recent past and said that Vietnam and France not only do not have any obstacles in developing their cooperation in many areas but also have the necessary mutual trust to do it. He voiced the hope that with the great potentials of the two countries, the two governments would contribute to furthering this cooperation for the sake of the prosperity of each country and of peace, friendship and development among nations. Chairman Vo Van Kiet asked the advisor to convey his invitation to the French president and premier to visit Vietnam.

PRC Population, Health Delegation Visits

BK1806150692 Hanoi VNA in English 1415 GMT 18 Jun 92

[Text] Hanoi VNA June 18—A population and health delegation of the Chinese National People's Congress (CNPC) led by Mr Wang Wei, member of the permanent committee of the CNPC, deputy head of the Education, Science, Culture and Public Health Committee of the CNPC, paid a friendship visit to Vietnam from June 8-18 as guest of the Commission of Public Health and Social Affairs of the National Assembly.

During its stay here, the delegation held talks with a delegation of the host commission and exchanged views with the Ministry of Public Health and the National Committee for Population and Family Planning. It also toured some economic, cultural, scientific, population and health centres in Hanoi, Lang Son, Thua Thien Hue, Da Nang and Song Be Provinces and Ho Chi Minh City.

Paper Hails Appointment of Thai Premier

BK1906042092 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 17 Jun 92

[From the daily press review program]

[Text] QUAN DOI NHAN DAN today carries a commentary by Le Duc Sao on recent political changes in Thailand. The commentary said that the appointment of Mr. Anan Panyarachun—former prime minister of Thailand during the period from late 1991 to early 1992—as new prime minister as of 6 June is a surprising yet logical decision, taking into consideration the present, complex political situation in Thailand.

After appraising the current situation in Thailand, the appointment of Mr. Anan is an optimal solution aimed at helping Thailand emerge from its serious political crisis following a bloodshed riot.

Prime Minister Anan Panyarachun and his government are facing various pressing issues. Public opinion, however, hopes that Mr. Anan, with his experience and ability, will be able to lead Thailand out of the current crisis so that the national economy can continue to develop.

Australia, New Zealand Bank Group Opens Branch

BK1806151492 Hanoi VNA in English 1424 GMT 18 Jun 92

[Text] Hanoi VNA June 18—Australia and New Zealand Banking Group Limited [ANZ] was on Wednesday handed approval by the State Bank of Vietnam to open a branch in Hanoi.

The licence, which was approved last Friday, means ANZ can have a full commercial branch banking operation—subject to some minor conditions.

ANZ is the only bank from an English-speaking country to have obtained a licence in Vietnam, four other licences have been issued to French banks, and the fifth, to a Thai bank.

ANZ's general manager-Asia Pacific, Mr. Peter Hawkins is quoted by VIETNAM NEWS as saying: "When we initially set out on the vietnam project we were really only thinking about the opportunities for Australian investment and trade".

"As our plans have become more public", he continued "we have received inquiries from throughout the region and from investment or trade activities in Vietnam.

"Initially, ANZ will be concentrating on a range of commercial banking services, including trade finance, expatriates remitting funds back to Vietnam, the travel market and investment opportunities.

"Also, domestic banking services will be available to foreign companies and individuals based in Vietnam, as well as local Vietnamese entities dealing with overseas organizations".

ANZ will also play a role in helping to develop a modern commercial banking industry in Vietnam, including hosting training programs in Australia for officers of the State Bank of Vietnam, the central bank.

The licence was presented to ANZ's chief manager, development and support, Asia Pacific, Mr. Warren Taylor, by Mr. Nguyen Cong Hai, director of the Foreign Department at the State Bank of Vietnam.

Also present was the Australian Ambassador to Vietnam H.E. Mr. Michael Potts, and Mr. Nguyen Tran Bat, from the investment consultancy and technology transfer company, both of whom assisted ANZ in its licence application.

The branch in Hanoi is scheduled to open later this year.

Quang Binh Delegation Visits Lao Province

BK1806101492 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 13 Jun 92

[Text] A delegation of the Quang Binh provincial border committee led by its chairman, Ho Khac Binh, paid a working visit to the Lao central province of Khammouane recently. During the visit, border committee delegations of the two provinces inspected marker posts at the border areas and discussed measures to promote cooperation between Quang Binh and Khammouane.

General Greets Counterpart on Cambodian Army Day

BK1806151192 Hanoi VNA in English 1438 GMT 18 Jun 92

[Text] Hanoi VNA June 18—General Doan Khue, minister of national defence, has sent a message of greetings to his counterpart, Mr. Tie Banh, on the 41st anniversary of Cambodia's Army Day (June 19).

Gen. Doan Khue warmly congratulated the Cambodian People's Army on this occasion and wished for further consolidation and development of the friendship and solidarity between the two peoples and the two armies.

Memorandum on Book Exchange Signed With Laos

BK1906073292 Hanoi VNA in English 0636 GMT 19 Jun 92

[Text] Hanoi VNA June 19—A memorandum on book and cultural article exchange has been signed between Vietnam's Book Distribution Corporation and Laos's Publishing and Book Distribution House.

The signing took place during a visit to Laos from June 11-18 of a delegation of the Vietnam National Library and the Book Distribution Corporation led by Nguyen The Duc, director of the library.

During its stay there the delegation had working sessions with a delegation of the Laos National Library and a delegation of the Lao Publishing and Book Distribution House.

Also from June 11-18 a delegation of the Vietnamese Su That (truth) Publishing House led by Nguyen Phu Khanh, deputy director and editor-in-chief of the publishing house, paid a visit to Laos.

While there, the delegation was received by Somlat Chanthmat, Politburo member of the Lao People's Volutionary Party (LPRP) and head of the LPRP Central Committee's Commission for Information and Training. It had working sessions with a delegation of Laos's National Publishing House to reveiew the implementation of their cooperative programme in 1991 and discuss how to promote their cooperation in the coming years.

Results of EC Repatriation Program Reviewed

BK1906103792 Hanoi Voice of Vietnam in English 1000 GMT 16 Jun 92

[Station commentary]

[Text] Good results have been obtained in the first phase of the EC program for the repatriation and reintegration of asylum seekers which is to end later this month. This was said by Deputy Program Director Ton Thuan Bao. The program, started a year ago, is the first cooperation between the EC and Vietnam and the result of the first phase of the program has shown many prospects of further cooperation.

According to Mr. Bao, the program has brought about initial results in creating many jobs in urban and rural areas [words indistinct], in raising training capabilities of teacher training centers, in public health and hygiene conditions, building and operating infrastructure facilities in localities for the returnee population.

The program has contributed to the stabilization of the lives of the returnees and other people in target areas. The positive results have encouraged many Vietnamese people from camps in Hong Kong and other parts of Southeast Asia to return home voluntarily. Illegal departures have dropped considerably. In some months, nobody left the country at all.

In training, the program has supported 28 centers in Haiphong, Quang Ninh, and Ho Chi Minh City by refurbishing skills, providing of machines and equipment, [words indistinct], teaching materials, and course fees for returnees and incentives to teachers. Regarding [words indistinct], with a view to have a more scientific way to get jobs and develop production, the program has endorsed a budget of some 2.6 million U.S. dollar for these activities. The program has also contributed to the improvement of infrastructure for micro projects such as land reclamation, construction of aquaculture areas, the construction of roads, clinics, schools, kindergartens,

electrical and water supply system in these settlements or overpopulated areas with no socioeconomic conditions.

In February, [word indistinct] organization was signed between representatives of the Vietnamese Government and the EC. Phase two will last 13 months with a budget of about 102.5 million EC monetary units, equivalent to about $120 million U.S. dollar from the EC and other donors. The program will be extended to 18 cities and provinces where many returnees live.

In April, a (?memorandum) was signed between the EC and the Vietnamese Government, confirming the first support of 22.5 million EC monetary units by the EC for phase two.

* Twenty Candidates Nominated for National Assembly

92P30102B Ho Chi Minh City TUOI TRE in Vietnamese 21 May 92 p1

[Article by H.D.: "10 More Registered as Independents"]

[Text] According to the Municipal Fatherland Front, as of 1600 on 20 May, the various groups and constituencies have nominated 20 candidates for the Ninth National Assembly. There are still seven more to be nominated by groups representing the press, the Veterans' Association, the Polytechnic College, the Municipal Youth group, the foreign trade bloc, the ethnic Chinese bloc, and the non-state trade economic bloc. These seven groups are now holding nominating conventions. It was learned that the Fatherland Front has nominated its chairman, Nguyen Van Hanh, 65. The Municipal Labor Federation nominated its chairwoman, Hoang Thi Khanh, 45. The Peasants' Association selected its vice chairman Huynh Thanh Lap, 36. The Women's Association nominated its chairwoman Mrs. Doan Le Huong, 45.

By midnight on 19 May, 10 independent candidates have come to the Municipal Election Committee to register. Committee Secretary Pham Thanh Hoa said that all 10 applications were accepted; however, on the morning of 20 May one asked to withdraw because he was 68 years old. One application, in the form of letter from a Vietnamese permanent resident in France, has been rejected because of the candidate's irregular status. Of the nine independent candidates, one is a 23-year-old third-year univesity student at the Consolidated University, while two others are directors of state-owned companies.

Hanoi Makes Assembly Election Preparations

BK1906104192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Jun 92

[Text] This afternoon, the Hanoi City Fatherland Front Committee and the Office of the Electoral Committee organized a ceremony to hand over to the Electoral Committee the personal records of 25 candidates selected by the city and of seven other candidates nominated by the central echelon to run in the election of National Assembly deputies in Hanoi.

As of today, the lists of voters have been posted at 1,347 polling stations in Hanoi. On 16 June, Dong Anh District simultaneously posted the lists of voters at 169 polling stations three days ahead of the deadline set by law. Electoral teams have also been established in many other areas. The city is striving to finish forming the remaining electoral teams by 20 June.

* People's Government Overthrow Plot Retried

92P30102A

[Editorial Report] According to the 3 April SAIGON GIAI PHONG, on 2 Apr the Supreme People's Court in Ho Chi Minh City heard the appeal filed by Nguyen Van Thuan, who was implicated in the trial of Nguyen Dan Que and other defendants accused of "working to overthrow the people's government."

The article reported that Thuan tried to exonerate himself by claiming that his activities were not against the Vietnam Socialist State. However, Chief Justice Tran Tuan Si, speaking for the court, upheld the original verdict which found Thuan guilty of "working to overthrow the people's government" and also the 10 years prison sentence followed by five years of house arrest.

Despite Thuan's plea, the court found that in his earlier trial on 14 September 1991, Thuan had acknowledged complete agreement with Que's aim to oppose the Revolution. This was further supported by evidence of the documents which Thuan had received from Que and kept at home. According to the article, these documents contained "distorted lies" about the nation's history and the people's struggle against invading enemies.